

***United States Court of Appeals
for the Second Circuit***



APPENDIX

74-2499

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United States Court of Appeals
For the Second Circuit

WINSTON E. KOCK, JR.,
Plaintiff-Appellee,
against

THE BRUNSWICK CORPORATION,
Defendant-Appellant.

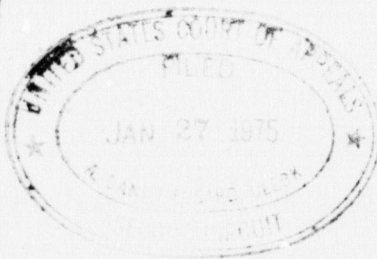
Appeal from a Judgment of the United States District
Court for the Southern District of New York

JOINT APPENDIX
VOLUME II OF TWO VOLUMES
(Pages 231A to 471A)

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Q So as you understood the '73 season and the '74 season were two separate seasons that overlapped each other; is that correct?

A I didn't say that.

Q I tink you told us the '73 season was the entire calendar year.

A I said it could be parts of the entire calendar year. If it were '73-'74 it would carry into '74.

Q And if it was simply '73?

A Then it would probably be 1973.

Q No, your presentation I think you talked about. Your attractive bowling shoes.

MR. BRASHICH: Object.

MR. NEWMAN: If it is objectionable I will rephrase it.

THE COURT: All right, go ahead.

Q Who would use the paper sheet, what kind of bowler would use the paper sheet?

A All bowlers might use the paper sheet, league and open.

Q League and open?

A Yes.

Q Where did you get that information?

A Well, can I give you specifics?

1 Q Certainly, please.

2 A In your own bowling center in Brooklyn where
3 you have both telescores and open play sheets, some of the
4 leagues prefer to use the paper sheets even though they are
5 open play sheets and not designated or set up to be league
6 sheets because they do not like the overhead projectors.
7 So that in that situation open and league bowlers might
8 use it. The telescope projector is primarily for league
9 bowlers.
10 Q But primarily the league bowler is going to

11 use the plastic; is that correct?
12 A If there is a telescope in the bowling center,
13 yes. Otherwise he might use a piece of paper.

14 Q If there is not a telescope would there be
15 something like an automatic score as well, were you familiar
16 with that?
17 A There could be an automatic score.

18 Q And Brunswick Bowling Centers had automatic scores?
19 A Yes.

20 Q None of your sheets would apply to the automatic
21 scorers, would it?
22 A Are you admitting that to me?

23 Q I am asking.

24 A That's what I was told, they would not be used
25

1 rdh48

Kock-cross

2 in automatic bowling centers.

3 Q As compared to leagues and open bowlers did
4 you know what percentage of the bowling was done by
5 leagues and what percentage was done by open bowlers in the
6 Brunswick Centers?

7 MR. BRASHICH: I am going to object. I don't see
8 the materiality of how many bowlers bowl on plastic or paper
9 in this particular case.

10 MR. NEWMAN: Your Honor, there has been testimony
11 with respect to the difficulties with the plastics. I would
12 like to establish from Mr. Kock, if I can, if he knows,
13 just what the seriousness of the failure of the plastic was,
14 if he knows.

15 THE COURT: No. Objection sustained. If it is
16 part of your counterclaim you may call him in your own case.

17 MR. NEWMAN: I would also like to know his
18 knowledge of the bowling business.

19 THE COURT: I gathered that but that particular
20 objection in light of your explanation is sustained.

21 MR. NEWMAN: I would like to add this on the
22 purpose. I would like to know his knowledge of the bowling
23 business.

24 THE COURT: As to general knowledge I don't think
25 it is necessary.

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Kock-cross

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Q Now, when you started out in this venture you started out with Mr. Al Tiede, didn't you?

A Yes, I did.

Q And did Mr. Tiede have any experience in the bowling business?

A He was a bowler.

Q Other than that did he have any experience?

A You mean did he manage a bowling center? I don't believe he did.

Q Had he rendered advertising services to a bowling center?

A Had he rendered advertising services? Mr. Tiede was a design expert. I do not know if he rendered advertising services to a bowling center, no.

Q Whose idea was it as between you that there be a national advertising on bowling score sheets?

A Before Al Tiede or with Al Tiede?

Q Was it your idea, was it Tiede's idea or was it something you both got together?

A We got together on that. Many people have ideas of national advertising. Brunswick had them.

Q It was both you and Tiede got together and discussed it; it wasn't that he gave you the idea or you gave him the idea?

1 A I would say he gave me the idea.

2 Q As a matter of fact the business which you
3 started out with him was called Tiede Enterprises not
4 Kock Enterprises?
5

6 A That's right.

7 Q He was the predominant factor in the business,
8 was he not?

9 A No, he was not.

10 MR. BRASHICH: I will object to "predominant
11 factor."

12 THE COURT: He has answered no, in any event.

13 When counsel gets up Mr. Kock, wait a minute before
14 you answer so I can rule.

15 Okay.

16 Q There came a time when you parted this business
17 relationship with Mr. Tiede, didn't there?

18 A Yes, we separated.

19 Q When was that?

20 A June of 1972.

21 Q Was that before you saw Mr. Kratzenberg or after
22 you saw Mr. Kratzenberg?

23 A Before I saw Mr. Kratzenberg.

24 Q How long before?

25 A A week before.

1 rdh51

Kock-cross

2 Q Did you tell Mr. Tiede you were going to see
3 Mr. Kratzenberg?

4 A Yes, he knew.

5 Q And Mr. Tiede felt he didn't want to participate;
6 is that correct?

7 MR. BRASHICH: I will object to what Mr. Tiede
8 felt.

9 THE COURT: Sustained.

10 Q Did Mr. Tiede say he was not interested in
11 participating further?

12 A Yes, he did.

13 Q Now, let's come to the time that you saw Mr.
14 Kratzenberg in January of 1972?

15 A Yes.

16 Q Did Mr. Kratzenberg discuss with you the
17 situation that Brunswick was in with respect to its present
18 suppliers, its then supplier of score sheets?

19 A He discussed some phases of it, yes.

20 Q What did he tell you about the then supplier
21 of score sheets with respect to termination dates of the
22 advertising?

23 A I don't think he said very much about that.

24 Q Did he say anything about that?

25 A He said that he was happy to see national score

1 rdh52
2 sheet advertising, that he, Brunswick, was trying to find
3 national score sheet advertising and that he was much
4 interested in our proposal with regard to it because it
5 was national advertising oriented.

6 Q Did he tell you there would be a problem with
7 respect to taking on a new score sheet supplier relating
8 to a phasing in or a phasing out of the Peabody score sheets
9 in different centers?

10 A I don't believe he really used phase in-phase out.

11 Q Not those words, the concept. Did he tell you
12 there would be a problem involved?

13 A He said he had a supplier, Peabody, yes.

14 Q Did he tell you there would be a problem about
15 getting a new supplier having to do with termination dates
16 at different centers?

17 A No, he didn't say at different centers.

18 Q Did he talk about a problem in getting a new
19 supplier?

20 A I don't believe so.

21 Q Well, did he ever mention that concept to you
22 at any time during your discussions, even after January, 1972?

23 A Which concept? New supplier?

24 Q The concept that there would have to be a phase out
25 of the Peabody score sheets at different centers at different

1 rdh53
2 times?

3 A Yes, he talked about that in June.

4 Q What did he say to you about that?

5 A That Peabody held a contract with Brunswick
6 or an agreement, or I think he said Peabody was the supplier,
7 in June; that he couldn't start me until March because
8 there were various end dates for Peabody and we discussed
9 and tried to figure out a way as to did Peabody have a
10 single start and end date so that Mr. Kratzenberg could
11 establish a single start and end date. Was there some
12 way, since there were extra score sheets in the Brunswick
13 Bowling Centers, that these extra score sheets could be
14 used to phase in as to a March start date which would have
15 been my date, and what Mr. Kratzenberg said he would look
16 into was how this could be arranged for a March start date.

17 Q Mr. Kratzenberg indicated to you that there
18 would have to be staggered terminations of the Peabody
19 score sheets at the different centers; is that not correct?
20 That they didn't all end on the same day; is that correct?

21 A He wasn't really sure of that. He said it could be.

22 Q That they all ended on the same day?

23 A He knew Peabody started with Brunswick on one
24 particular day. He didn't know much more than that at that
25 time because I don't know if he checked it at that time.

1 Q Didn't he tell you that Brunswick got into the
2 business of different centers at different times beginning
3 in 1964?
4

5 A That's possible, yes. Brunswick built bowling
6 centers through 1964, '65, '66, of course.

7 Q These were open on a different date, weren't they?
8

9 A They might.

10 Q Or do you think they all opened for business on
11 a given date, the same day every year, is that your concept?

12 A It is not.

13 Q You knew they all began business on different
14 days throughout the year?

15 A Yes.

16 Q And we are talking about 180 bowling centers,
17 aren't we?

18 A Approximately 200.

19 Q And didn't you then have the understanding that
20 there would be completely different termination dates
21 for the Peabody supplies at the approximately 200 different
22 bowling centers?

23 MR. BRASHICH: I will object to the understanding.
24 If he wants --

25 MR. NEWMAN: I would like to know what Mr. Kock
understood. I think it is a fair question.

1 THE COURT: Yes. I will overrule the objection.

2 MR. BRASHICH: Thank you, your Honor.

3 A You are asking me what I understood.

4 Q Did you have the understanding that there would
5 be different termination dates at the different centers,
6 the approximately 200 bowling centers relating to the
7 Peabody score sheets?

8 A I don't think I can answer that particular
9 question yes. I'd have to answer that one no. It is not
10 my understanding. Do you want what I understood?

11 Q Did you have the understanding that all of the
12 bowling centers terminated the obligation to Peabody on
13 the same date?

14 A I didn't have that understanding either.

15 Q Did you have the understanding that they terminated
16 their obligation to Peabody on different dates?

17 A I can't answer that question either. No, I
18 didn't have that understanding, that wording, that under-
19 standing.

20 Q Did Mr. Kratzenberg say to you that there were
21 different termination dates at the different centers?

22 A He said there may be different termination dates.
23 He would check.

24 Q He had to check and advise you; is that it?

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Kock-cross

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A That's what he said. He had it figured out.

Q Did he undertake with you that he would begin terminating the Peabody supplies at a certain time?

A I assume such, yes.

Q When did you assume he would begin terminating them?

A I assume he was terminating them all along.

Q Beginning June?

A Whenever he wanted to begin to terminate them.

Q This is a June conversation we are talking about.

A This is a June conversation. That he wanted me to continue in the business, to go forward for the March start that we had agreed on; that he would take care of anything on that side and I would push to get national advertising on my side.

Q Is it your testimony that Mr. Kratzenberg said to you I will start terminating Peabody at different centers beginning in June?

A He did not say that to me.

Q Or anything now?

A No, he never said that.

Q Or beginning a short time from your conversation?

A No.

Q Did you understand that that's what he was

1 rdh57

Kock-cross

2 setting about to do?

3 A That's what I thought he was setting about to do,
4 yes.

5 MR. NEWMAN: May I have Plaintiff's Exhibit 6,
6 please?

7 MR. BRASHICH: Yes(handing).

8 Q Mr. Kock, I would like to show you, or I can
9 read it to you if counsel has no objection, from a letter
10 of Mr. Kratzenberg to you which has been marked Plaintiff's
11 Exhibit 6, dated July 20, 1972.

12 I would like to read the letter in its entirety,
13 addressed to you.

14 "Dear Mr. Kock:

15 This is to acknowledge receipt from you of your
16 proposal dated June 8, 1972, to supply Brunswick with score
17 sheets for its exclusive use in the approximately 200 bowling
18 centers operated and managed by Brunswick in the United
19 States. We are very much interested in your proposal and
20 as soon as we can determine what our existing obligations
21 are we will be able to forecast a starting date for your
22 program. Assuming, of course, that the score sheets meet
23 with our approval. We appreciate the time you have spent
24 in trying to put this program together. Yours truly."

25 Now, after receiving Plaintiff's Exhibit 6 did you

1 rdh58

Kock-cross

2 still understand that Mr. Kratzenberg was undertaking to
3 terminate Peabody at the different Brunswick centers?

4 A You are asking me a different question. He
5 was checking his obligations, you say.

6 Q I think you told us --

7 A I understood him to be checking those obligations,
8 correct.

9 Q I think you told us you understood him to be
10 terminating centers beginning June.

11 A I didn't say that.

12 Q When did you think he was going to start terminating
13 centers using Peabody?

14 A I didn't know when he was going to start terminating
15 centers.

16 Q Did you think this would happen all at once
17 effective March 1st?

18 A Wait a minute. Would he terminate all effective
19 March 1st or would they all be terminated as of March 1st?
20 Two different questions.

21 Q Either way.

22 A I understood they were all to be terminated as
23 of March 1st, yes.

24 Q For them to be all terminated March 1st, didn't you
25 understand he had to be terminating them over a long period

1 rdh59

2 of time prior to March 1st?

3 A Again I didn't know what he was doing to terminate
4 them. That was not my part of the agreement. That was his
5 part. He is the one that had to terminate them.

6 Q But as of July 20th, when he refers to your
7 proposal and where he indicates that as soon as he can
8 determine existing obligations, that you then have the under-
9 standing that he was going to set about terminating Peabody
10 centers.

11 A I understood he was determining how to terminate,
12 yes.

13 Q But not that he had done so?

14 A I didn't know one way or another.

15 Q Or not that he was doing so?

16 A He may have been doing so. I didn't know. It doesn't
17 say that.

18 Q Incidentally, on Plaintiff's Exhibit 3, which is
19 the June 8th proposal, can you tell me who prepared that?

20 A I did myself.

21 Q Who typed it physically?

22 A It is possible I did it. I did my own typing.
23 I'm sure I did.

24 Q Did you do it in your own office?

25 A Let me see which typewriter that is.

1 rdh60
2 I used the typewriter at Mr. Brashich's office
3 because it is a nice typewriter.

4 Q Were you talking to Mr. Brashich about the
5 proposal in June of 1972?

6 A Yes, I was.

7 Q Was he giving you advice about the proposal
8 in June of 1972?

9 MR. BRASHICH: I will object.

10 THE COURT: On what ground?

11 MR. BRASHICH: Relevance, your Honor.

12 THE COURT: Overruled.

13 A Could I have the question again?

14 (Question read.)

15 A Yes.

16 Q Did you show him the proposal, Plaintiff's
17 Exhibit 3, before you brought it out to Brunswick?

18 A I'm pretty sure I let him look at it, read it,
19 see if it was spelled correctly, grammar errors, was I making
20 up something that was good. Yes, I showed it to him.

21 Q Spelling, grammar and something good. Does the
22 something good have to do with legal advice?

23 A I don't think I really asked him if it was a legally
24 binding thing at that time, no.

25 Q Did you report to Mr. Brashich on your meeting with

1 rdh61

Kock-cross

2 Mr. Kratzenberg of June 8th?

3 A Yes, I did.

4 Q And did you show Mr. Brashich Plaintiff's
5 Exhibit 6, Mr. Kratzenberg's letter of July 20th?

6 A I don't think I did show him that letter, no.

7 Q Did you ask him whether or not you had an agreement
8 effective June 8th?

9 A I didn't believe I did, no.

10 Q Now, can you tell me when for the first time
11 you actually knew that there was a discontinuance of the
12 Peabody service at any center?

13 A I would have to say November 27th when Mr.
14 Kratzenberg showed me the letter where Peabody was cancelled.

15 Q And on November 27th you expected that by March
16 1st all of the 200 bowling centers would have phased out
17 their use of the Peabody sheets; is that correct?

18 A I didn't know about phase out. I knew that I was
19 there and that he was cancelled as of March 1st in all Bruns-
20 wick Bowling Centers. That's what Mr. Kratzenberg had said.

21 Q You thought this was going to take place in that
22 brief period of time; is that correct, between effectively
23 December and March?

24 A I didn't know when it was taking place. It could
25 have been taking place.

1 rdh62

2 Q It is three months, isn't it?

3 A That is three months? That's one, two, three.

4 Q You thought they were all Peabody's in all
5 200 centers that had been servicing in staggered dates
6 throughout the year were going to be terminated through
7 that three-month period of time?

8 A I didn't think they were going to be terminated
9 in that three-month period of time. I thought they were
10 going to be terminated as of March.

11 Q Did you propose Brunswick break its agreement with
12 Peabody?

13 A I never proposed that, no.

14 Q As a matter of fact you didn't want Brunswick
15 to break its agreement with Peabody, did you?

16 A I didn't even know what Peabody's agreement was.

17 Q But you knew there was an agreement with Peabody?

18 A I knew that Mr. Kratzenberg was checking into
19 an agreement, yes.

20 Q And was it your intent to have Brunswick break
21 whatever agreement it had with Peabody in order to do
22 business with you?

23 A Quite obviously not.

24 Q As a matter of fact, it was your intent to have
25 Brunswick live up to its agreement with Peabody; is that correct

1 A Not knowing what that agreement with Peabody was,
2
3 I don't know how to answer that question.

4 Q Well, did you have to know what the agreement
5 was before it could be your intent that Brunswick live up
6 to the agreement?

7 A Not really. Brunswick entered into an agreement
8 with me. That's the one I was concerned with, for March.

9 Q You weren't concerned with whether Brunswick
10 broke its agreement with Peabody; is that it?

11 A I didn't say that.

12 Q That's what I am trying to determine.

13 A Brunswick was taking care of its agreement
14 with Peabody. They were giving me an agreement for March.
15 How Brunswick was taking care of its agreement with Peabody
16 I cannot be held responsible for that.

17 Q Well, isn't it the fact that your agreement
18 as expressed in the letter of November 27th is expressly
19 subject to whatever Brunswick's obligations are to Peabody?

20 A Brunswick had no obligations to Peabody, they were
21 cancelling him by letter on November 27th, I was told, I was
22 shown.

23 Q November 27th, is that correct?

24 A November 27th.

25 MR. NEWMAN: May I have Plaintiff's Exhibit 16,

1 rdh64

2 please?

3 MR. BRASHICH: Yes (handing).

4 MR. NEWMAN: And Plaintiff's 15.

5 MR. BRASHICH: Yes (handing).

6 Q Plaintiff's Exhibit 15 is the letter from
7 Brunswick signed by Mr. Kratzenberg to you dated November
8 27th.

9 I would like to read to you from the second
10 paragraph where it states, "As we explained to you, Brunswick
11 may have certain commitments to Walt Peabody advertising
12 service. Brunswick intends to live up to any legally
13 binding obligations to Peabody but we will take every
14 legally permissible step to phase them out at the earliest
15 practicable time."

16 That letter is the letter you are relying on as
17 your contract with Brunswick, isn't it?

18 A And many conversations and letters in addition
19 to that, yes.

20 Q Did you grant to Brunswick the right to live
21 up to its legally binding obligations with Peabody?

22 A Brunswick told me they were living up to their
23 legally binding obligations, that they were cancelling
24 Peabody and they couldn't sign my contract until he received
25 his cancellation. At the time he received his cancellation,

1 rdh65
2 that was it.

3 Q Is it your testimony then that the language
4 in Plaintiff's Exhibit 15 is meaningless, where Brunswick
5 on the same day that it is sending the notice to Peabody is
6 telling you that it intends to live up to those obligations
7 that it may have obligations and that it will take every
8 legally permissible step to phase them out at the earliest
9 practicable time; is it your testimony then that they had
10 already phased them out?

11 A Mr. Kratzenberg was calling me that he had had
12 many numerous conversations, writings with Peabody.

13 Q Could you answer that question yes or no, please.
14 Is it your testimony that as of November 27th Brunswick
15 had already phased Peabody out?

16 A For March of 1973?

17 Q For March, they had already phased them out?

18 A All were already phased out or would be phased out
19 effective by or gone by March?

20 Q You understand that all were phased out on
21 November 27th, effective November 27th?

22 A No, I didn't understand all were phased out on
23 the 27th.

24 Q Is it your understanding that notice had been
25 given which would phase all the Peabody out by March 1st?

rdh66

A The rest of them that had not been phased out, yes.

Q It doesn't say that in the November 27th letter.

A That's what he said to me.

Q When was the first time you had a contract with Brunswick which committed it to you to buy score sheets?

A They are going to buy some score sheets from me?

Q To use score sheets. Thank you.

A When Bill called me and said commit yourself. I have to have your committal so I can go ahead so you will be ready for March.

Q It wasn't on November 27th, is that right?

A I committed myself.

Q When did you have Brunswick committed?

A Brunswick was committed I assumed as of November 27th.

Q Not before?

A Well, the agreement was there. You are confusing me.

Q Was Brunswick committed, as you understood it, to use score sheets furnished by you before November 27th?

A I don't know how to answer that. That could be a legal interpretation that I don't know how to make. I was committed in August; Brunswick said in November to me that I have it for March. We are just finalizing it.

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Kock-cross

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Q Did you have a firm commitment with Brunswick prior to November 27, 1972?

A Did I feel I had a firm commitment? Yes, I feel I had a firm commitment.

Q From Brunswick, not the other way. Did you feel you had a firm commitment from Brunswick prior to November 27, 1972?

A Yes, I would say I felt that.

Q You understood that as a matter of law; is that correct?

A I don't know about a matter of law.

Q You consulted with Mr. Brashich?

A I didn't consult Mr. Brashich on that matter.

Q Did you consult with Mr. Brashich subsequent to the June 8th letter?

A After June 8th?

Q Yes.

A Yes.

Q On the subject matter of the agreement with Brunswick.

A On the June 8th agreement or the October 12th?

Q The agreement for Brunswick to furnish score sheets, did you consult with Mr. Brashich after June 8th?

A Yes.

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Kock-cross

Q Did you consult with him about the preparation of the October 12th letter which is part of Plaintiff's Exhibit 15?

A Yes, I did.

Q Isn't it a fact that Mr. Brashich drafted the letter of October 12th?

A Yes, I would say that. I guess that's right.

Q Could you tell me whose initials appear at the end of Exhibit 12 indicating that that person is the typist?

A I typed it myself.

Q The initials I will show you are WEK. DRB. Who typed the letter?

A It is possible Deyan Ranko Brashich.

Q Was Mr. Deyan Ranko Brashich also the typist of the letter?

A I may have retyped it. One of us typed it, sure. It is the work product of both of us. I will give you Dan typed it. I'll let him be the typist.

Q I don't want you to give me anything. Just tell me what the facts are.

A I don't remember who typed it.

Q It is clear Mr. Brashich was actively involved in the drafting of it?

A I already said yes, he was. You betcha.

1 Q I'd like to call to your attention certain
2 language in Plaintiff's Exhibit 3, which is the June 8th
3 letter, and that is the second paragraph which states,
4 "I will supply you with 4.5 million bowling sheets and 30,000
5 acetate sheets for your use in bowling centers owned and
6 operated by you for a period commencing March, 1973,
7 and terminating March, 1974."

8 I have read that correctly, haven't I?
9

10 A Could you read some more later on?

11 Q I would like to read something in Plaintiff's
12 Exhibit 15, which is the letter of October 12th: A parallel
13 section, if I may, or Mr. Brashich states, "That this supply
14 will be for a period commencing March, 1973, through
15 March, 1974."

16 That's a change in language, isn't it?
17

18 A Am I allowed to read the following paragraphs
19 out loud or just these two paragraphs?
20

21 Q I would like to direct your attention to these
22 particular phrases.

23 A These and not the following?
24

25 Q Yes.

 A There is a different word interposed, yes.

 Q Whose responsibility was it to change the language,
 was it your idea or Mr. Brashich's idea?

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Kock-cross

A You are saying in words means a difference in thought. I don't know. This one I typed rough myself and this one Dan typed. It is a difference of a word.

Q By the time of the October 12th letter Mr. Kratzenberg had been telling you that there would have to be phasing in; is that correct?

A No, it is not.

Q When you said then -- when you changed the language to read "For a period commencing March, 1973, through March, 1974," didn't you mean there would be different commencement dates commencing March, 1973, through March, 1974?

A I think I meant exclusively which is what is said later on.

Q It had nothing to do with your knowledge that there would have to be staggered termination dates; is that correct?

A I didn't know that. No.

Q Did you ask Mr. Kratzenberg in November of 1972, on November 27th whether he had already terminated any Peabody centers?

A No, did not ask him if he had already terminated.

Q Wouldn't your understanding that the Plaintiff's Exhibit 16, that is the letter addressed to Peabody, was the first notice of termination given by Brunswick to Peabody?

A I understood it to be termination for all Peabody

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Kock-cross

score sheets in all bowling centers, as it said.

Q That's the letter that's dated simultaneously with the November 27th agreement?

A That's the one I was shown.

Q Let me ask you about when you felt that Brunswick was committed to you. I don't think we finished that. Was Brunswick committed to you on November 27th to accept your score sheets?

A Did I believe we had an agreement?

Q I would like you to answer it my way.

A Yes.

Q It was committed?

A Yes.

Q You had a firm agreement?

A I believe so, yes.

Q And you didn't need anything more from Brunswick for there to be a firm agreement, did you?

A For there to be a firm agreement, no.

Q I have asked you this question before, haven't I, at a deposition?

A Yes, I did.

Q Did you make the same answer then?

A I don't think you asked the same question.

Q Well, did I ask you, and I'm reading from page 30

rdh72

of the deposition which you gave and swore to April 24, 1974,
beginning at line 10:

"Q Exhibit G is dated December 1, 1972. Did Mr.
Kratzenberg confirm to you on December 1, 1972, that you
had an agreement with Brunswick Corporation?

"A Other than the original conversations which took
place on November 27th, no.

"Q In the original conversation which took place
on November 27th, did Mr. Kratzenberg confirm to you that
the agreement with Brunswick Corporation was firm?

"A He said he saw it -- obviously it was not firm."

Which is true, the answer you gave then or the
answer you gave today?

A I think there is a misunderstanding. He said
he could not sign my agreement because he was cancelling
because he said that I had an agreement. He saw no reason
that I didn't have an agreement.

Q You believed you had an agreement?

A Yes, I did.

Q But it was subject to something else, wasn't it?

A I didn't think it was going to be subject
to anything else, no.

Q You see no difference between the testimony
you gave at the deposition and the testimony you have given

1 rdh73

2 now; is that correct?

3 A That's correct.

4 Q Didn't you tell us earlier in your testimony
5 here in this very courtroom that you were awaiting a
6 telephone call from Mr. Kratzenberg or that you were to
7 call Mr. Kratzenberg after November 27th?

8 A Yes, I did.

9 Q What was the purpose of that call?

10 A He had asked me to call him to make sure everything
11 was okay. He said he could foresee no problems, that he didn't
12 anticipate any problems and could I give him a call. I
13 gave him a call and he said everything is fine, I'll send
14 you the shipping information right after Christmas.

15 Q No problems with respect to what?

16 A Mr. Peabody's cancellation letter.

17 Q Because there had been no prior cancellation;
18 right?

19 A I didn't know if there was a prior cancellation.
20 I saw that cancellation.

21 Q Was Brunswick itself committed to you in August
22 of 1972?

23 A I felt I was committed to Brunswick --

24 Q I would like you to answer the question.

25 A I know. It is a tough one. I really don't know

rdh74

how to answer that. I thought they were committing themselves to me by having me committed to them but I don't know how to answer it other than that way.

Q Didn't you tell them you needed a letter from them on August 27th?

A To show advertisers, yes.

Q Wasn't it for yourself, so that you knew you had a commitment from Brunswick?

A I really felt I did have a commitment.

Q You thought you had a binding agreement with Brunswick; is that it, in August?

A In August?

Q Yes.

A Yes, I thought we had agreed that we would go ahead for March. Yes, that's pretty binding.

Q As of November 27th you already had a binding agreement since last August; is that it?

A An agreement between ourselves that we would as honorable people be bound, you betcha.

Q And the November 27th letter was unnecessary from your point of view?

A I wouldn't say that. It helped to bring into closer perspective the smaller things of how many quantities of the shipping instructions of that.

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Kock-cross

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Q Weren't there some changes in your June 8th proposal and your October 12th proposal?

A Yes, there were.

Q And these changes had not been effected by August, had they?

A We had had discussions about those changes by August, yes.

Q Wasn't the purpose of your sending Brunswick the letter of October 12th to have them confirm to you that this was the agreement?

A That these were the shipping quantities, that these were the end and start dates, these are what I was agreeing to, yes.

Q And didn't you ask Brunswick to sign the October 12th letter under the space "Agreed to and accepted, Brunswick Corporation"?

A I think I sent that for their look and see for when I came to -- I sent this to them in advance of a meeting which would be coming in November.

Q Did you know there would be a meeting in November when you sent it to them in October?

A Bill had said there would be some sort of meeting coming forth, yes. I didn't know it was going to be November, no. I had written to him earlier and said I could come out in

1 rdh76

2 September.

3 Q Isn't it a fact that you wrote the letter of
4 October 12th in response to Mr. Kratzenberg's letter to you
5 of October 10th which said that he had assumed that you were
6 not going forward?

7 A The cover letter? Yes, I did respond to him because
8 I thought I was going forward.

9 Q It wasn't that you wrote the October 12th letter
10 in anticipation of a meeting in November, was it?

11 A I think, as I had explained to him where I had
12 been in the Detroit area, I could come to Chicago, I was
13 going to have a lawyer draw up a draft of a finalized agreement,
14 I was sending it to him, I was waiting for him to call me
15 back and all of a sudden a letter comes in saying are we
16 going ahead and we were going ahead. I didn't understand
17 what he was trying to say to me.

18 THE COURT: Mr. Newman, when you come to a point
19 that is a suitable time to adjourn for the day, let's do that.

20 MR. NEWMAN: Yes, your Honor.

21 Q Isn't it a fact in a cover letter which accompanied
22 your October 12th letter you stated that this was a rough
23 draft of an agreement?

24 A I believe I might have used those exact words, yes.

25 Q Those exact words?

1 A Well, I have a hard time remembering every word
2
3 I wrote.

4 Q Therefore, this wasn't, the October letter did
5 not evidence that you had an agreement by that time, did it?
6

7 A You want to read the rest of the letter?

8 Q I am talking about the cover letter, the one that
9 you sent on October 12th.

10 (Pause)

11 MR. NEWMAN: I don't believe the cover letter is
12 in evidence.

13 MR. BRASHICH: It is in evidence as Exhibit 13.

14 MR. NEWMAN: May I have it, please?

15 MR. BRASHICH: Together with an attachment (handing).

16 MR. NEWMAN: Thank you.

17 Q Don't you say in Plaintiff's Exhibit 13, which is
18 your letter to Mr. Kratzenberg of October 12th, "My lawyer
19 has been working on this agreement and a rough draft is
20 attached so that you may have time to look it over for
21 final approval. My plans were and still are to fly to Chicago
22 at your request after the 15th so that we may finalize this
23 more detailed version of our initial agreement and proceed
24 with any further details for shipping to your centers for
25 the March, 1973, start."

 A Can you read the first paragraph also?

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Kock-cross

Q Yes. "Received your letter and was somewhat confused in that we have been going ahead since I first visited you in June. My telegram and letter of August 12th again indicated our firm commitment for starting March, 1973, which you established for our initial agreement dated June 8th for an annual delivery of 4.5 million color score sheets and 30,000 plastic league telescore sheets."

This was not a firm commitment on their part, was it?

A I felt it was.

Q This was a firm commitment on your part, it was a draft, wasn't it?

A I was already committed.

MR. NEWMAN: Mr. Brashich, may I have the original complaint you filed in the action?

MR. BRASHICH: I don't have it. I gave it back to Judge Frankel's clerk.

Q Is it not correct in the complaint which you originally filed in this court, the one that was filed on May 2nd of 1973 you stated in paragraph 7, "On or about November 27, 1972, plaintiff and defendant Brunswick entered into an agreement." Is that not correct?

MR. BRASHICH: I object, your Honor, to the use of the word "state" in that complaint.

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Kock-cross

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2 THE COURT: That's the plaintiff's complaint,
3 isn't it?

4 MR. BRASHICH: Yes, your Honor.

5 THE COURT: Overruled.

6 Q Is that not what the plaintiff's complaint states,
7 that on or about November 27, 1972, you and Brunswick
8 entered into an agreement?

9 A If that is what the complaint says, that's what
10 it states.

11 Q Not before November 27th, 1972, on November 27,
12 1972.

13 A I don't think I would interpret it that way.
14 I would have interpreted that the other way. We finalized
15 the intent of the agreement.

16 MR. NEWMAN: I think we can break at this point.

17 THE COURT: All right. Let's plan to resume
18 at 10:15, ladies and gentlemen. I know we keep you waiting
19 sometimes but we do that only when it is unavoidable.

20 Let me ask you all to be on time nevertheless
21 and not keep each other waiting.

22 10:15.

23 (Jury excused)

24 THE COURT: While you are whiling away your evening
25 hours, Mr. Brashich, I think you are also going to have to

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redraft your requested instruction on the position you take respecting formation of this contract. I want an instruction which states in detail what materials the plaintiff claims comprises the agreement in this case. The defendant may wish to do some similar thing or may wish to wait until it sees the plaintiff's formulation, but I don't think I am going to leave it with the jury quite as general as you suggest in your requests; that is, from various conversations and letters. I want you to particularize, and perhaps you ought to just list them as at least your assertion of what constitute the agreement in the case.

MR. BRASHICH: Yes, sir.

THE COURT: All right, 10:15.

(Adjourned to October 9, 1974, at 10:15 A.M.)

2 WINSTON E. KOCK, JR.,
3 Plaintiff,

4 vs.

73 Civ. 1947

5 THE BRUNSWICK CORP.,
6 Defendant.

7 New York, October 9, 1974;
8 10.30 A.M.

9 Trial resumed.
10 - -

11 THE COURT: Let's get the jury in.

12 MR. BRASHICH: Before the jury comes in, as
13 you requested, your Honor, I worked on the charges which
14 I am submitting to this Court at the present time. Yester-
15 day the Court had asked both Mr. Newman and myself as to
16 the indemnity concept between the advertisers and also
17 asked me, I believe, to put in the request to charge the
18 measure of damages that I would like to have the Court
19 charge to the jury. This is almost a shell game and
20 I am trying to put it into words so the Court can under-
21 stand and the opposing counsel can understand my concept.
22 Mr. Kock had expended --

23 THE COURT: I don't want to keep the jury wait-
24 ing for this. Let's finish with his examination.
25 I realize I have led you to this concern. I am not
apologizing for it. Let's continue to get the evidence

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2 in and we will talk about this later on.

3 (Jury present.)

4 THE COURT: Good morning.

5 W I N S T O N E. K O C K, JR., resumed, having been
6 previously sworn, testified further as
7 follows:

8 CROSS EXAMINATION CONTINUED

9 BY MR. NEWMAN:

10 Q Mr. Kock, on November 27 of 1972 did Brunswick
11 ask you to name your advertisers?

12 A They asked for some of the names of the ad-
13 vertisers, yes.

14 Q Did you give them the names of your advertisers?

15 A I gave them some of the names, yes.

16 Q Did you give them all of the names?

17 A No, I did not give them all of the names.

18 Q Were you reluctant to give them all of the
19 names?

20 A I did not have finalized contracts with all of
21 them at that time.

22 Q But did you have a reluctance to give the names
23 of those with whom you had a finalized contract?

24 A No, I gave those names.

25 Q Did Brunswick ask you to name all of the ad-

3mcp

Kock-cross

1
2 vertisers that you had?

3 A I'm not sure if they said all. They said name
4 advertisers, yes.

5 Q I would like to ask once more whether you did
6 have some reluctance in giving Brunswick the names of the
7 advertisers on November 27.

8 A You mean reluctance as to the advertisers that
9 I had not yet --

10 Q Any advertisers.

11 A There may have been some reluctance from the
12 standpoint of -- I didn't have Carter Wallace at that time
13 committed to me or others committed. I may have been
14 reluctant to give them to Brunswick on that side. They
15 weren't committed to me.

16 Q Were you reluctant, perhaps, because you didn't
17 feel that Brunswick was committed to you?

18 A Maybe I should have been.

19 THE COURT: You will have to speak up so that
20 the jury can hear you.

21 A Would you ask me the question again? I'm sorry.
22 (Question read.)

23 A No, I think there might have been a different
24 reason for the reluctance.

25 Q Didn't I ask you a similar question in your

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deposition? Do you recall that?

A You asked me -- yes, you asked me a lot of questions.

Q Do you recall beginning at page 46, line 17, of your deposition, Mr. Kock, the following:

"Q Tell us what you told Brunswick about the advertisers on November 27.

"A Brunswick asked me who some of my advertisers might be. I said the U.S. Army, Desenex, several others. I was rather reluctant to give them the names of the advertisers because on November 27 I still didn't have that final written contract, even though I was being assured that I would have it."

Do you recall giving that answer?

A Yes, I probably did say that.

Q Which is the true answer, that you were reluctant because you didn't feel you had contracts with advertisers or were you reluctant because you didn't feel you had a contract with Brunswick?

A I didn't yet have a contract with all the other advertisers, that is true.

Q So the answer to what I just read to you that you swore to previously is not true; is that correct?

A I think there is a difference in meaning, but,

mcp5

you know, both may be true. I'm not sure what you are trying to say.

Q It may be true, then, that you did not have a firm commitment from Brunswick on November 27; is that what you are saying?

A No, I'm saying that I did have a firm commitment from all of my advertisers on November 27.

Q I have read to you the statement. This is the document that you have signed and sworn to, is it not, the deposition?

A I did sign that deposition, yes.

Q You swore to it, didn't you?

A I swore to it by signing it.

Q And you gave that answer that I read, didn't you, and I will read it again:

"I was reluctant to give them the names of advertisers because on November 27 I still didn't have that final written contract, even though I was being assured I would have it"?

MR. BRASHICH: I object. That is not the total answer.

MR. NEWMAN: I have read one sentence from the paragraph. I read the paragraph previously. I will be glad to read it again.

mcp6

THE COURT: You mean you read the total answer before but that wasn't reread now?

MR. BRASHICH: No, he just read one particular sentence of the answer, which was of three sentences.

THE COURT: You think the rest changes the meaning?

Read it again.

Q "A Brunswick asked me who some of my advertisers might be. I said the U.S. Army, Desenex, several others. I was rather reluctant to give them the names of the advertisers because on November 27 I still didn't have that final written contract, even though I was being assured I would have it."

THE COURT: I don't think for purposes of this question, Mr. Brashich, that makes any difference at all. What is the pending question?

Q Did there come a time when you submitted all of the names of the advertisers to Brunswick?

A Yes, I did.

Q When was that?

A January, I believe, you know, whenever it was that I knew who they were. When they were printing I submitted -- I called and I gave them.

Q You expected after you left on November 27

1 mcp7
2 that you would be having a further telephone call with Mr.
3 Kratsenberg, didn't you?

4 A He had asked that I call him back, yes.

5 Q What was the purpose of your calling him back?

6 A For shipping information, for seeing how
7 Peabody had received [redacted] ellation letter. That was it.
8 I did need the shipping information and quantities like
9 that.

10 I had another reason when I did call him that
11 came into play. I needed him to write Carter Wallace.

12 Q In other words, Mr. Kratsenberg asked you to
13 call him in a week or two?

14 A Yes.

15 Q So that he could write Carter Wallace and you
16 could remind him to write Carter Wallace?

17 A No, he didn't ask me. That is one of the
18 reasons I called him.

2 19 Q What in the December conversation was of
20 significance?

21 A I needed the letter. I needed the shipping
22 information.

23 Q Only because you needed the shipping informa-
24 tion?

25 A Not only because I needed the shipping informa-

1 mcp8

Kock-cross

2 tion.

3 Q Also because you wanted the Carter Wallace
4 letter?

5 A Yes, also.

6 Q You had a document which was given to you by
7 Brunswick on November 27, Exhibit P-15, didn't you?
8 Didn't you show that to Carter Wallace?

9 A Would Carter Wallace have known in fact that
10 it was in fact Brunswick? Same thing you are trying to
11 throw at me.

12 Q I can't hear you.

13 A You see --

14 THE COURT: You do have to speak louder. I
15 don't think the jury can hear you and if you want your
16 story to get to them you better say it so they can hear
17 it.

18 MR. NEWMAN: I thought it might be.

19 Q You say that Plaintiff's Exhibit 15 didn't
20 indicate it was from Brunswick?

21 A I wanted Bill to write to Carter Wallace at
22 Brunswick. Brunswick at Carter Wallace.

23 Q Isn't Plaintiff's Exhibit 15, the letter of
24 November 27, 1972, on the Brunswick letterhead?

25 A Yes. It is not addressed to Carter Wallace,

1 mcp9

2 is it?

3 Q No, it is addressed to you.

4 And wasn't this sufficient for you to show
5 Carter Wallace that you had a contract?

6 A It might have been. I don't know. I don't
7 know how Carter Wallace would have felt about it.

8 Q But you didn't feel it, did you?

9 A I didn't feel what?

10 Q That you had a contract?

11 A I did feel I had a contract and you know I felt
12 I had a contract.

13 Q Why didn't you show this to Carter Wallace?

14 A (No response.)

15 Q I would like to read to you again on this
16 question from the deposition that you gave, the one that
17 you swore to. I'm reading on page 30, beginning at
18 line 15:

19 "Q In the original conversation which took place
20 on November 27 did Mr. Kratzenberg confirm to you that the
21 agreement with Brunswick was firm?

22 "A He said he saw it" --

23 There is a hyphen indicating a hesitation.

24 "Obviously it was not firm."

25 That is your answer.

mcpl0

1 "Q When did it become a firm agreement?

2 "A Again, I would have to say when I talked with
3 him on the phone in the middle of December he confirmed
4 the agreement was okay and later, subsequent to that, or
5 after that, he then sent me a carbon copy which confirmed
6 everything to me to my satisfaction."
7

8 Which is correct, that you had a firm agreement
9 on November 27th or that you didn't feel you had a firm
10 agreement until he talked to you on the phone in the middle
11 of December?

12 A I think I had a firm agreement at both times.

13 Q Then the statement that you swore to at your
14 deposition is false, isn't it?

15 A No, it is not false.

16 Q May I read it to you again?

17 THE COURT: Mr. Newman, some of this you are
18 to leave for the jury.

19 MR. NEWMAN: Thank you, your Honor.

20 Q Did you report to Mr. Brashich the sum of the
21 telephone conversation with Mr. Kratzenberg?

22 A I don't believe that I did at that time.

23 Q Did you have any writing from Brunswick at that
24 time which said that the obligations of Brunswick to use
25 all the score sheets would begin on March 1st?

1 mcpl1

2 A As of November -- as of December, did I have a
3 writing from Brunswick? No.

4 Q You are a meticulous individual in writing
5 letters and keeping accounts of things, aren't you?

6 A Yes, sir, I am.

7 Q Yet you didn't feel you needed anything from
8 Brunswick which said that they were going to begin accepting
9 all sheets on March 1; is that correct?

10 A Well, I kind of believed Brunswick was telling
11 me what the facts were and they were saying I had the
12 contract. I didn't seem to have any problem believing them
13 at that time.

14 Q And each and every other time when you wrote a
15 letter to Brunswick you confirmed a telephone conversation,
16 didn't you?

17 A No, I didn't write a letter everytime I had a
18 conversation with Brunswick.

19 Q What was the purpose that you asked Mr.
20 Kratzenberg to give the Carter Wallace letter, which is
21 Plaintiff's Exhibit 83?

22 A Carter Wallace had asked me to have Brunswick
23 write them a letter.

24 Q Plaintiff's Exhibit 83 talks about a 1973
25 bowling season. I'll read the first sentence:

mcpl2

Kock-cross

"This is to advise that Winston Kock, who represents himself, has an agreement with Brunswick to furnish our 200 bowling centers in the United States with the score sheets for the 1973 bowling season."

A Is there more in the letter?

Q I'd like to address your attention to the first sentence which talks about the 1973 bowling season. Have I read it correctly?

A Yes, you read the first sentence correctly.

Q What did you understand the 1973 bowling season to be?

A 1973.

Q Was that the entire year?

A Carter Wallace was only buying from March to September, 1973. March and September were certainly within 1973.

Q Didn't you know the 1973 bowling season wouldn't begin until September, 1973?

A I knew no such thing. I didn't say 1973-1974 bowling season.

Q When you read the letter, Plaintiff's Exhibit 83, did you understand that you had an agreement with Brunswick beginning January 1, 1973?

A I had an agreement. I understood it beginning

1 in March. My advertising was sold beginning in March.

2
3 Q Did you understand then that the statement
4 contained in Plaintiff's Exhibit 83 was correct, that is,
5 that Winston Kock has an agreement with Brunswick to furnish
6 score sheets for the 1973 bowling season? That is beginning
7 January 1, 1973. Did you understand that to be correct?

8 A Did I -- he didn't say January, 1973, in his
9 letter. I could not have understood it to be January,
10 1973.

11 Q When was the contract with Brunswick to commence

12 A When was it to begin? March of 1973.

13 Q A specific date in March or just any old day?

14 A March, 1973.

15 Q Could you answer my question, please?

16 A Did you say a specific date in March, 1973?

17 Q Yes.

18 A My answer was March, 1973.

19 THE COURT: He asked does it begin on a specific
20 day and the answer to that is yes or no.

21 THE WITNESS: No.

22 Q Any time during March of 1973; is that so?

23 A Yes.

24 Q That is how you sold your advertising, any
25 time during March of 1973?

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A Yes.

Q March 30 would satisfy that?

A I sold my advertising for six months beginning March of 1973.

Q As you understood it, if you started March 30, that would be satisfactory; is that correct?

A If it was six months after March 30, yes.

Q I would like to refer you to paragraph 7 of the complaint which was filed by you in this action. I would like to read you from Paragraph 7 where you state that:

"On or about November 27, 1972, plaintiff and defendant Brunswick entered into an agreement, both orally and in writing, wherein it was agreed by and between the parties thereto that plaintiff would have the sole and exclusive right to sell national advertising to be printed on all bowling score sheets to be used on and after March 1, 1973, at the approximately 200 bowling alley centers owned and/or operated by Brunswick."

You did state in the complaint which you filed with the Court that the agreement was to begin with March 1; is that right?

A March 1 is March, that is correct.

Q Did you write to Brunswick at any time that

1 mcpl5

280A
Kock-Cross

2 you were willing to accept other than an exclusive use of
3 your score sheets at the Brunswick centers after March 1?

4 A I think that needs a more specific question.
5 I can't answer that question yes or no. It is not phrased
6 right.

7 THE COURT: Why not? Did you write to them to
8 that effect or not? You did or you didn't.

9 THE WITNESS: I did.

10 THE COURT: Next question.

11 Q Isn't that Plaintiff's Exhibit 23, your letter
12 of February 8th?

13 A I have to see the letter.

14 Q Let me read to you from Plaintiff's Exhibit 23,
15 the fifth paragraph:

16 "Q This then is the major question still outstand-
17 ing: The local manager, for various reasons, the least of
18 which is his proximity to the local advertiser, is not in
19 a position to make the decision as to when to cease using
20 Peabody's score sheets. Therefore, the only solution
21 is a directive from Chicago that where there are local
22 advertising sheets still available they are to be used on
23 an alternate pad basis with the new sheets up to March 31,
24 1973."

25 Did you write that?

mcpl6

A Is there more involved there?

Q Did you write that sentence?

A Yes, I wrote that sentence with another one following.

Q I am interested in whether or not you will accept the use of other than your sheets after March 1. It is correct that you would accept and did understand that it would be acceptable to you that there be other score sheets used in the bowling centers in the month of March; is that correct?

A In the month of March?

Q Yes.

A That is correct.

Q Would that be giving the advertiser his money's worth?

A It could be giving him his money's worth.

Q He wouldn't be getting his full March exposure, would he?

A I'm afraid you are asking a question -- no, he would not get a full March exposure. He would still get a six-month exposure following.

Q When would it end? If you had started on an alternating basis on March 1, a pad of your score sheets, a pad of Peabody's score sheets and so on down the line,

1 mcpl7

2 when would it end?

3 A Such a need for alternating pads within the six
4 months would have ended for the advertisers for March 30.
5 the end of March, for a six-month period of time.

6 Q That would be six months from April 1, wouldn't
7 it?

8 A Or March 30.

9 Q Six months from March 30 would take you to
10 October, wouldn't it?

11 A That would be the end of September.

12 Q Yes. And you planned to start your new -- you
13 planned to sell the score sheets again to advertisers begin-
14 ning when -- September or October?

15 A The end of, beginning September. End of, begin-
16 ning of, however it worked.

17 Q How would you be selling advertising to people
18 for the same month of September where there were some of the
19 old advertisers who had score sheets that you agreed to be
20 used in the month of September?

21 A Where the old advertising ended the other
22 advertising would begin.

23 Q Isn't that what we were saying we had to do with
24 Peabody, where the old advertising ended the new advertising
25 would begin?

1 mcpl8

2 A Is that what you were saying to me about Pea-
3 body?

4 Q Yes.

5 A That isn't what you were saying.

6 Q The old advertising --

7 A You start me in March. Peabody ended any time.
8 I didn't care.

9 Q Isn't it true, Mr. Kock, the advertiser of the
10 standard brand names was looking for a number of exposures
11 and not necessarily numbered within any given period?

12 A That is definitely not true.

13 Q You weren't going to give that number of
14 exposures, were you, in a given period if you started on an
15 alternating pad basis in March?

16 A I'm sorry. Active was a new product. In
17 test it was very important --

18 Q Answer the question.

19 A -- for the six-month exposure. That is what
20 they were buying.

21 Q They weren't going to get a six-month exposure,
22 were they, if you started on an alternating pad basis?

23 A Are you saying they did get a six-month
24 exposure or they were not going to get it?

25 Q Answer the question.

mcpl9

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2 A They would have gotten a six-month exposure,
3 yes.

4 Q Mr. Kock, do you recall in that deposition
5 when I was asking you a question and Mr. Brashich stated
6 at page 40, line 21:

7 "Let the record reflect that it was not only
8 a six-month exposure but also an appropriate number of
9 score sheets which would give the advertiser a vehicle
10 for exposure?"

11 Do you recall him making that statement?

12 A I'm sure he did.

13 Q Did you make any comment thereafter?

14 A I don't recall. If I did, I'm sure you will
15 refresh my memory.

16 Q No comment.

17 You accept that statement; is that correct?

18 A It is correct.

19 Q Was the U.S. Army particularly concerned about
20 the six-month exposure or were they concerned with a certain
21 number of exposures?

22 A Both.

23 Q Were they concerned with a particular six-
24 month exposure?

25 A Yes.

1
2 Q Which particular six-month exposure were they
3 concerned with?

4 A Six months, March to September.

5 Q Is that the agreement that you made with them,
6 six months, March to September?

7 A Yes, I did.

8 Q I would like you to look at Plaintiff's Exhibit
9 14, which is the N.W. Ayer & Son, Inc. document. N.W.
10 Ayer & Son you told me was the advertising agency represent-
11 ing the U.S. Army. Isn't it correct that the statement
12 on Plaintiff's Exhibit 14 under the heading "Insertion
13 Date" reads:

14 "1973: January 1 for six months"; is that not
15 correct?

16 A That is part of what is on that document, yes.

17 Q The statement is correct?

18 A The statement would be correct. Yes, it is.

19 Q Did you ever clarify with the Army that you
20 would not give them January 1 exposure?

21 A With the Army? No, that was -- N.W. Ayer,
22 I think you are asking.

23 Q I mean with N.W. Ayer. Did you ever clarify
24 with N.W. Ayer that you would not give them a January 1
25 exposure?

mcp21

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2 A Okay. Yes, I clarified with N.W. Ayer that
3 they would not start January 1.

4 Q Did N.W. Ayer have any objection to not starting
5 January 1?

6 A They paid me money later. I guess that means
7 they didn't object.

8 Q N.W. Ayer got what it thought it was entitled
9 to, didn't it?

10 A In March of 1973? Yes, they started or at least
11 it was supposed to start in March of 1973.

12 Q They haven't asked for their money back, have
13 they? Yes or no.

14 A No.

15 Q Now, on November 17, 1972, which is the date
16 of Plaintiff's Exhibit 14, you had not met with Brunswick;
17 is that correct?

18 A Met them in June of 1972. You mean November?
19 All right. No, I did not --

20 Q You had not had the November 27 meeting yet?

21 A No, I had not.

22 Q That is obvious. We can agree on that, can't
23 we?

24 A I think we can agree.

25 Q I would like to point your attention to the hand

1 mcp22

2 written note that appears on Plaintiff's Exhibit 14.

3 Is that your handwritten note in red ink?

4 A Yes, it is.

5 Q When did you have that conversation that is
6 referred to in the handwritten note?

7 A I believe the date is also with the handwritten
8 note.

9 Q It says "10/4 11.00 a.m." When did you have
10 the conversation?

11 A 10/4, 11.00 a.m.

12 Q Isn't the N.W. Ayer document, the contract,
13 Plaintiff's Exhibit 14, dated 11/17?

14 A Yes, it is.

15 Q Then you have the conversation with Dave before
16 or after 11/17.

17 A I had it before 11/17.

18 Q Yet Plaintiff's Exhibit 14 --

19 A Before 11/17.

20 Q -- is 10/4.

21 A Did I have something between 10/4 and 11/17?

22 Q No. Let me ask you a further question. Did
23 you type up Plaintiff's Exhibit 14?

24 A Did I type up Plaintiff's Exhibit 14?

25 No, I didn't type it up.

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Kock-cross

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Q That was issued from Ayer?

A That came from N.W. Ayer.

Q And you wrote the note about a clarification by Telcon 10/4 at 11.00 a.m. after you received Plaintiff's Exhibit 14, didn't you?

A There was a problem there. Yes, I did call him on 10/4.

Q But you wrote the note on the November 17 document after you received it?

A After I received it, yes.

Q That seems to be correct?

A Yes, that is correct.

Q And even though you said you had a conversation on 10/4, that corrects the November 17 document -- the November 17 document prepared by N.W. Ayer doesn't agree with your conversation, does it?

A Of 10/4?

Q Yes.

A It was written 10/4. I'm confused.

Q I'm asking you whether in fact you had a conversation with Dave on 10/4 so that he could have put the substance of the conversation on November 17?

A I see. Then there is dates wrong on there. I can't write something yet on a letter I haven't received.

mcp24

Kock-cross

1 If that is what you are trying to say. Could I see the
2 letter?
3

4 Q When did you have your clarification with
5 Dave?

6 A After I received the letter, obviously.

7 Q You don't remember when you had your clarification
8 with Dave?

9 A No. After I would have received the letter.

10 Q Now, as of 10/4 did you have an agreement with
11 N.W. Ayer for advertising score sheets?

12 A I may have.

13 Q And pursuant to Plaintiff's Exhibit 14, whatever
14 the date, was your obligation then to supply score sheets
15 bearing the advertisement of the U.S. Army?

16 A Was it my obligation? Yes, it was.

17 Q That is on November 17 or October 4, either one?

18 A Okay, yes. One of the two.

19 Q It was your obligation to undertake the cost
20 of printing those score sheets, your obligation to the Army
21 on November 17; is that correct?

22 A Did I have a commitment from the Army to me?
23 Yes.

24 Q Did you have a commitment to the Army that you
25 would -- when I say Army I mean N.W. Ayer -- supply them,

1 mcp25

2 print up for them bowling score sheets containing their
3 advertisement?

4 A I felt I had, yes.

5 Q That was, of course, true when you met with
6 Brunswick on November 27?

7 A Yes.

8 Q Was it just as agreeable to Dave of N.W. Ayer
9 that the contract begin January as it was to begin in
10 March?

11 A No, I think Dave had a misunderstanding with
12 what the Army and I had agreed to. The Army had wanted it
13 for March. We had said March because that is when it
14 started.

15 Q You had a misunderstanding with N.W. Ayer?

16 A I didn't have a misunderstanding with N.W. Ayer.

17 Q They had the misunderstanding?

18 A N.W. Ayer may have had the misunderstanding.

19 Q They didn't want January, did they, they wanted
20 March; is that right?

21 A The Army and I had agreed to March.

22 Q They didn't want January?

23 A They may have also wanted January. They may
24 have loved to have any time. I don't know what they
25 wanted. I know what we agreed to.

mcp26

258

Q Did you get the idea of approach N.W. Ayer on behalf of the U.S. Army as to advertising before the Peabody score sheet?

A No, I had already approached the Army about a year before.

Q Did you know the Army was already advertising in different areas on Walt Peabody score sheets?

A No, I did not know that.

Q Was the United States Army advertisement on the sample score sheets that you showed to Mr. Kratzberg in January of 1972?

A I don't believe it was.

Q Who were the advertisers that you had shown on this specimen score sheet?

A They were not advertisers. They were sample products.

Q What were the names of the sample products?

A That was so long ago I don't remember all of them.

Q Name some of them.

A I think there was an old Grand Dad, a perfume, Arpege, something like that, a cigar, Robert Burns, a gasoline -- would that have been Mobil? I think there was an airline. There were several others. There were eight advertisers in total.

cp27

Kock-cross

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Q Of similar calibre, were they not; big-name companies; isn't that correct?

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A I don't know the definition of big. I'd say they were acceptable.

5

6

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Q Do you think Mobil is a good definition of big; will you accept that definition?

8

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A As being advertisers, yes; large spending advertisers, yes.

10

11

12

Q Of course, none of these advertisers that you showed on this specimen score sheet ultimately became advertisers, did they?

13

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A That was 1972?

Q Yes.

A January.

16

17

Q Will you answer the question?

18

19

A I don't know if I proposed that those would become advertisers. I don't know. Do you have a copy of those advertisers so I can reflect?

20

Q Did Mobil become your advertiser?

21

A Mobil did not become an advertiser at that time.

22

Q Did American Airlines become your advertiser?

23

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Let's talk about November, about the score sheets you actually printed, the contract that you actually had, the ones that you have introduced in evidence.

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A Mobil is not on this score sheet.

Q Arpege?

A Not on this score sheet.

Q Robert Burns?

A Not on this scoresheet.

Q Did you give Mr. Kratzenberg another specimen score sheet at a later time?

A I gave him a sample of the score sheet that we used in the market test.

Q When was that, by the way?

A That was the last week of June, first week of July, the Gallup market test.

Q Who were the advertisers on the Gallup market test?

A Gallup selected American Airlines, Mobil, Brylcream, Robert Burns, B.F. Goodrich, Travelers Insurance Company. I believe there was one more. There were eight in total that Gallup selected.

Q These were advertisers of a high calibre, weren't they?

MR. BRASHICH: I will object to the calibre qualification.

THE COURT: What is the ground of your objection?

MR. BRASHICH: The qualification of calibre,

cp29

Kock-cross

of high calibre.

THE COURT: Under the rules of evidence, what is the ground of your objection?

MR. BRASHICH: That there is a characterization and no foundation has been laid.

THE COURT: Overruled.

A Mr. Gallup selected --

Q Were these advertisers of a high calibre? Yes or no?

A Yes.

Q These were big, national advertisers, weren't they?

A Yes.

Q Ultimately when you printed and supplied the score sheet, isn't it a fact that three of the eight spaces were occupied by a merchandise selling venture, somebody selling a football game for two or three dollars or scissors for four dollars; is that correct?

A Yes.

Q Is that a national advertiser?

A I'd say they were nationally advertising the Brunswick bowling centers, therefore they became a national advertiser.

Q Is that the kind of national advertiser that

1 cp30

2 you had presented to Brunswick in January and in June?

3 A That is the kind of national advertiser?

4 I'm not sure if I follow your reasoning, but I guess they
5 would not be as large as those other national advertisers
6 in spending money.

7 Q Aside from them not being as large in spending
8 money, they were using the score sheets for a different
9 purpose. They weren't using the score sheets to expose
10 their name but to sell some merchandise.

11 A They were seeking to sell a lot of merchandise,
12 yes, they were.

13 Q Through the score sheets?

14 A Through the Brunswick bowling centers and the
15 score sheets, yes.

16 Q When Mr. Kratzenberg spoke to you about the kind
17 of advertisers that were to be on the score sheet, did he
18 tell you that there would be no advertisers who sold product
19 which competed with Brunswick?

20 A Yes.

21 Q And do you know whether Brunswick sells ice
22 cream in its bowling alleys and at the snack bars?

23 A They might in some of them. I'm not sure about
24 all of them.

25 Q Do you know that they have snack bars in their

1 cp31

2 bowling alleys?

3 A They do have snack bars in some of the bowling
4 alleys.

5 Q What is the business of Baskin-Robbins?

6 A They sell ice cream across the country from
7 their own stores.

8 Q Isn't that in competition, then, with the ice
9 cream sold in the Brunswick bowling alleys?

10 A I don't think so. I can't get Baskin-Robbins
11 ice cream at Brunswick bowling centers. Maybe Baskin-
12 Robbins makes me think ice cream and I go buy your ice
13 cream.

14 Q You think Brunswick was happy to have Baskin-
15 Robbins advertising?

16 A They liked the looks of the score sheet.
17 Baskin-Robbins was one of the advertisers. I didn't hear
18 any complaint.

19 Q When did you first tell them that you were
20 going to have Baskins-Robbins on there?

21 A When the printing paper was ordered, January,
22 beginning of February. somewhere in that time period.

23 Q After Brunswick had already terminated Peabody;
24 is that correct?

25 A Again, okay, yes, after that November 27

1 cp32
2 termination letter to Peabody, yes.

3 Q Brunswick had no choice at that time?

4 A That is not a fast food operation.

5 Q Mr. Kock, your obligation was to supply paper
6 score sheets and plastic score sheets; is that correct?

7 A Yes, it was.

8 Q What about getting plastic score sheets? Did
9 you show your printer a specimen of another plastic score
10 sheet?

11 A Yes, I did.

12 Q Whose plastic score sheet did you show him?

13 A The one that was being used in Brunswick bowling
14 centers made by Walt Peabody.

15 Q Do you know the Walt Peabody plastic score
16 sheet that you showed them was thicker than the one you
17 ultimately supplied to Brunswick?

18 A I don't know whether it was thicker.

19 Q Did you pay attention to whether it was or was
20 not thicker?

21 A The printer said he would match it, so I guess
22 I didn't pay any attention beyond that.

23 Q Did you check whether the printer matched it?

24 A He is a good printer. I assume he was matching
25 it.

cp33

Kock-cross

Q You wanted the printer to match the Walt Peabody score sheet; is that correct?

A That is why I gave it to them, yes.

Q You wanted him to match it as far as thickness and as to the kind of ink that was used as well; is that correct?

A All that matching entailed, yes.

Q And if he didn't match it, has he breached his agreement with you?

A No, he said he'd make it good.

Q But up to the point that he said he'd make it good he breached it, didn't he?

A I don't understand the word "breach." I would guess in your definition --

Q Did you tell the supplier anything about the heat of the plastic, that is, the heat that the plastic would be subjected to?

A I'm not sure if I did.

Q Did you know it would be subjected to a great heat?

A Bowling centers have lamps, yes. The printer knows bowling. I know bowling. There are lamps at bowling centers, yes. Of course, I'm sure I knew that there would be some heat.

1 cp34
2 Q There were lamps in the bowling centers that
3 would subject the plastic to great heat?

4 A Underneath the table that you keep score on.

5 Q How far underneath; could you indicate?

6 A A foot, two foot, somewhere underneath
7 (indicating).

8 There are mirrors and then they -- it is about
9 that far under (indicating).

10 Q Did you place your hand on the table to see how
11 hot it was?

12 A I don't think I went that far, no.

13 Q And do you know what implement was used to mark
14 the score sheet?

15 A The one that I saw at the bowling center was
16 a yellow grease pencil.

17 Q You knew these score sheets were to be re-
18 usable?

19 A Yes.

20 Q Did you inquire how the yellow score sheet
21 grease pencil was removed, that is, how the markings were
22 removed after each use?

23 A It was my understanding that they were washed
24 off.

25 Q Which did you think was more important, if any,

1 cp35

2 to your advertiser, the plastic or paper score sheet?

3 A I thought all, both were important to my
4 advertisers.

5 Q What is important to your advertiser is the
6 number of exposures; isn't that correct?

7 A Among other things, yes.

8 Q If the plastic score sheets received a greater
9 exposure than the paper, then the plastic score sheets
10 were more important to your advertisers; isn't that correct?

11 A Not really, because the coupons weren't on the
12 plastic score sheet. No.

13 Q As far as the other advertisers are concerned,
14 was it more important to them that they receive more
15 exposures on the plastic; were the plastics more important
16 to them?

17 A Both were equally important, and it is possible
18 that they may receive, because of the frequency involved
19 in league bowling, more exposures by the named person.
20 The paper score sheets might be seen by many other
21 individual persons. Both are therefore important to the
22 advertiser from the standpoint of net audience and
23 frequency of audience.

24 Q And if the heat fades the print on the sheet
25 so the advertiser's name could not be seen by the bowlers,

the advertiser again is not getting what he bargained for?

A I'd say he sure wasn't.

Q Did Mr. Bersch of Lasky Printers present to you various thicknesses of plastic for your selection?

A I would have to explain that one because -- yes, he did.

Q Did you make a selection from among the various thicknesses?

A From the two different thicknesses he showed me. Of course I did.

Q Just two different thicknesses?

A Because I had showed him two samples.

Q Do you recall what the thicknesses were by measure of the gauge?

A Well, one consideration was the Cellophane reusable that Mr. Kratzenberg had asked about. The other was the thick kind that Peabody was using. We priced both and found out that the thin Cellophane was unacceptable in terms of contract.

Q Your contract with Brunswick was not for the thin disposable, but your contract for Brunswick was for the thick reusable; is that right?

A That is correct, yes, but at the time I was asked about it I showed the thick reusable to Mr. Bersch.

1 cp37

2 It had not yet become only thick, so I was showing both
3 the Cellophane and the thick. This later became thick,
4 yes.

5 Q When you discarded the disposable and you
6 were dealing only with the thick plastic, did Mr. Bersch
7 show you different thicknesses of plastic for your selection?

8 A I'm not sure. I think we looked at different
9 sizes. Some of them could have been a little thinner or
10 thicker because we were trying to measure the different
11 sizes of the bowling table.

12 Q Did he quote you different prices for the
13 plastic depending on their thickness?

14 A No, he entered up quoting the one-price plastic
15 that he wanted.

16 Q Did he tell you more or less the cost if he used
17 thinner or thicker plastic?

18 A Yes, I'm pretty sure he would have said some-
19 thing like that, that is obvious.

20 Q He showed you different gauges of plastic for
21 your selection?

22 A I'm not sure if I really selected them. He
23 may have showed me different gauges. I said, "This is
24 the one I have got to match because this is the one I'm
25 using."

Q Didn't you hear Mr. Bersch testify that he showed you various gauges from 8 to 14?

A Yes, he did. That is what he did.

Q And you ultimately chose No. 10?

A We selected one that we thought was the closest to the one that Peabody had.

Q I would like to show you three score sheets, plastic score sheets, which bear the name Walt Peabody on them, and ask you if these plastic score sheets were of the thickness of the sample that you supplied to Mr. Bersch?

A I would not be able to answer that. That was 1971. Whether Peabody was using the same thickness at that time, I'm not sure. If you want me to say these are Walt Peabody score sheets -- they have his name on them. Yes, they do. I really can't say whether that is the same size as the sample I got in 1971.

Q Where is the sample that you received in 1971?

A The printer had them, used them to match. He gave them to the subcontract printer so that the subcontract printer could then match.

Q You saw the printer in 1971?

A Or the Summer of 1972.

Q Or 1973?

A 1973? No, I doubt that.

cp39

Q I would just like to show you the invoices, Plaintiff's Exhibit 77. They are dated March 22, 1973, and May 22, 1973, aren't they?

A For shipping?

Q That is the invoice to you.

A Shipping follows -- after you ship the bill gets in a couple of weeks later. Those were the invoices for the shipping.

Q If I showed you the last statement, would that refresh your recollection as to when you saw it?

A I was seeing him well before that. The shipment came in at a much later date. I already testified to that.

Q Had you seen Lasky for the Brunswick score sheets in 1971?

A No, I'm sorry, 1972. I used the wrong year.

Q I would like to turn to a question of the numbering on the paper score sheets. Did you instruct the printer that it was required to number each of the separate score sheets consecutively?

A The full 2-1/2 million score sheets were to be one to 1 million, one to 1 million, one to a half-million, yes. That is a consecutive numbering.

Q Did you instruct him to deliver the score sheets

cp40

Kock-cross

212

1 in consecutive order?

2 A I instructed him to deliver them in consecutive
3 order by pad.

4 Q But not consecutive order from pad to pad;
5 isn't that correct?
6

7 A Not necessarily from pad to pad and carton to
8 carton.

9 Q Do you know how they were delivered?

10 A No, I do not.

11 Q Did you receive complaint from Brunswick?

12 A Did I receive complaint? One.

13 Q That complaint said that the pads were not
14 consecutive from carton to carton nor were the pads con-
15 secutive within each carton; is that correct?

16 A I believe it said that we could correct this
17 in the future as --

18 Q I think you are answering something else.

19 Is my statement correct that they were not
20 numbered, according to the complaint, consecutively within
21 each carton nor numbered consecutively from carton to carton?

22 A That is what that complaint said, yes.

23 Q Have any of your advertisers asked for its
24 money back?

25 A No.

cp41

Q Have you received a complaint from the advertising agency or anyone representing the United States Army?

A No.

Q As a matter of fact, you received only one complaint; isn't that correct?

A Received in writing only one complaint, yes.

Q Which one was that?

A Baskin-Robbins.

Q Incidentally, you sold your advertisers the exposure in 200 bowling centers, didn't you?

A In approximately 200 bowling centers of the Brunswick Company, owned and operated bowling centers.

Q Were you using the term "approximately" when you were speaking to the advertisers?

A Probably 200.

Q Exactly 200; isn't that correct?

A They could have had more. I used 200 as a number. 200 was the number.

Q And you knew as of March 29, 1972, didn't you, that Brunswick did not own and operate 200 exactly?

A I don't know if that is quite correct. They did own and operate, I believe, 200 or more.

Q In the letter of March 29, which is Plaintiff's Exhibit 2, there is listed all of the Brunswick centers

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and shows approximately 180; isn't that correct?

A It shows more than 180.

Q How many more?

A I don't know. There are a whole bunch of bowling centers that Brunswick owns that -- 200, I believe. It added more bowling centers as it went along and kept sending me names.

Q Didn't you testify 186 that you counted on Plaintiff's Exhibit 2?

A That is a 1972 listing.

Q March, 1972?

A Okay, March of 1972 there may have been only 186. We are talking about a year later. Didn't you add bowling centers?

Q You were counting on Brunswick adding bowling centers; is that right?

A They told me they were going to be adding bowling centers.

Q Mr. Kock, did the Baskins-Robbins advertising come to you through a friend?

A Was I introduced to Baskins-Robbins through a friend? Yes.

Q Who was that friend?

A Mr. Charles Carver.

cp43

1 cp43
2 Q Was Mr. Carver instrumental in helping you to
3 obtain the account?

4 A I believe his father owned a Baskins-Robbins
5 franchise in Michigan. He thought it would be a good place
6 for Baskins-Robbins to advertise. He put me in touch with
7 Baskins-Robbins. That is the way it happened, yes.

8 Q Is it a fact that the only complaint you
9 received was from Baskins-Robbins and that Baskins-Robbins
10 was introduced to you by a friend; isn't that correct?

11 A No. I have had another complaint besides that,
12 which, you know, is conversation.

13 Q Which complaint was that?

14 A The direct mail people complaint.

15 Q Did the direct mail people tell you that people
16 were complaining they weren't getting their scissors?

17 A No, they did not.

18 Q You have listed a number of items that you state
19 you expended based on this contract for entertaining potenti
20 advertisers and the like?

21 A Potential advertisers before August --

22 Q You put in a certain number of costs. You
23 read yesterday from a little book and you said, "I had so
24 much expenses for entertainment."

25 What was the purpose of that entertainment?

1 cp44
2 A The purpose of all this entertainment, seeing
3 any advertiser, was to get that advertiser to buy advertis-
4 ing both for a start and in the future.

5 Q All of these people that you read off yester-
6 day under "Entertainment" were advertisers; isn't that
7 correct?

8 A They were advertisers or agencies or clients
9 or friends of people in advertising agencies -- some way to
10 get my name in so that I could show what product I had for
11 sale.

12 Q Was Mr. Brashich an advertiser?

13 A He is my lawyer.

14 Q Was he an advertiser?

15 A No.

16 Q Are you aware Mr. Brashich was listed under
17 your entertainment expenses that you seek to recover from
18 Brunswick?

19 A I don't believe -- he is listed in my book, but
20 I am not sure if he is totalled in the money that I wish to
21 receive from Brunswick.

22 Q He is listed in the book?

23 A He is listed in the book, excluded from the
24 money.

25 Q I note that you list expense of telephone?

1 cp45

310A
Kock-cross

2 A Yes.

3 Q Did you have one or two telephones at home?

4 A I did have one telephone.

5 Q That was your family telephone as well?

6 A Yes, my home telephone.

7 Q The one you still maintain?

8 A I still have the same number.

9 Q And you list expenses for a rental car, don't
10 you?

11 A Yes, I do.

12 Q Was this rental car used exclusively for the
13 business of advertising or was it also used for personal
14 use?

15 A It was used for the purpose of saving money
16 to get to see advertisers. It was cheaper to use a leased
17 car at the high prices for New York City than to go to
18 advertisers.

19 Q Did you own another car?

20 A No, I did not own another car.

21 MR. NEWMAN: Excuse me a moment, your Honor.

22 (Pause.)

23 MR. NEWMAN: I have no further questions.
24
25

REDIRECT EXAMINATION

BY MR. BRASHICH:

Q Mr. Kock, you have just been asked about the letter which was sent to Carter Wallace, which is Plaintiff's Exhibit 83.

Now, subsequent to January 5, 1973, did you receive correspondence from Carter Wallace?

A Yes, I did.

Q Now, Mr. Kock, do you recall, as I believe you testified, that you received a letter from Carter Wallace on February 7?

A Yes, I did. This is the letter.

Q And does it mention any start dates there?

A Yes, it does.

Q Could you tell us what start date it mentions?

A "This is to confirm that we would be participating in the bowling score sheet program for Active for the March-September period."

Q Now, Mr. Kock, you had received the commitment from the United States Army some time during the month of November; is that not a fact, sir?

A Yes, sir.

Q Prior to November 17, when you saw the advertiser, did you see the United States Army, or did you see

cp47

N.W. Ayer & Company?

A I saw the United States Army.

Q Who did you see at the United States Army?

A Margaret Reitingger, who was the advertising woman-marketing specialist for the United States Army.

Q And she was an Army person or Army lady?

A She was a civil employee of the United States Army, yes.

Q Where did she have an office, if you recall?

A Norfolk, Virginia, or Hampton Bays or Hampton Beach or something in Virginia.

Q Did you tell her March, '73, or did you tell her January, '73?

A March, 1973.

Q Subsequent to that date did you have any conversation about March or January with anyone at N.W. Ayer?

A Yes, later I did.

Q When did you have that conversation and with whom did you have that conversation at N.W. Ayer?

A I believe I had it with a Dave Belshaw when I received the incorrect start date on their invoice number.

Q If you know, Mr. Kock, do you have the budget of the United States Army for advertising during 1973?

MR. NEWMAN: I object, your Honor.

1 cp48
2 THE COURT: Sustained.

3 MR. BRASHICH: I will make an offer of proof.
4 There has been some testimony elicited from Mr. Kock as to
5 the size of his advertisers, and this is what I am directing
6 this question to.

7 THE COURT: I understand your question, but I
8 think the jury will take notice that the Army is large.

9 MR. BRASHICH: Not the Army is large, your
10 Honor --

11 THE COURT: Let's proceed.

12 Q Do you have an advertisement on your sheet from
13 Carter Wallace? Would you term Carter Wallace an advertiser
14 of high calibre?

15 A Yes, I would.

16 Q And how would you term Baskin-Robbins - as an
17 advertiser of high calibre?

18 A Yes, I would.

19 Q Mr. Newman asked you about complaints and you
20 said that you had received a complaint from the direct mail
21 advertisers?

22 A Yes, I did.

23 Q Would you tell us what that complaint was?

24 A They could not understand why their responses
25 were so low versus their projected --

cp49

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2 MR. NEWMAN: I object. His answer is a conver-
3 sation and I think he said a complaint.

4 THE COURT: No. Overruled.

5 Q Tell us what their complaint was.

6 A Their responses were low. They could not
7 understand why they were so low because 2-1/2 million score
8 sheets were supposed to be in distribution with the coupon
9 on them. I had to explain to them that in fact only 25,
10 26 of the 200 bowling centers were using the score sheets
11 so that they were not getting the responses because there
12 weren't 2-1/2 million in distribution being used, and they
13 said, "Gee, that might be a real problem," and it did later
14 become so.

15 Q How?

16 A The cost of those products has doubled or tripled
17 and they can't make any money and I can't make any money
18 on them and the score sheets were still being used and some
19 orders were still dribbling in. We are both losing money
20 on them.

21 Q Now, did there come a time when you spoke to
22 Mr. Kratzenberg in Brunswick and you told him the list of
23 advertisers?

24 A Yes, I did.

25 Q Did you name each and every one of the advertis-

1 cp50

2 ers for him?

3 A Yes, I did.

4 Q What did he say to you? Did he object to
5 Baskin-Robbins?

6 A No.

7 Q And you sent him a proof sheet of that particular
8 advertisement, did you not?

9 A Yes, I did.

10 Q And did he write to you telling you that Baskin-
11 Robbins was not acceptable?

12 A No, he did not.

13 Q You testified that you sent Mr. Bernie Rudo a
14 copy along with your March 1 letter of 1973?

15 A Yes, I did.

16 Q Did he complain to you about the Baskin-
17 Robbins advertisement being on the score sheet?

18 A No, he did not complain about Baskin-Robbins
19 being on the score sheet.

20 Q Before this morning, did anyone else bring up
21 the fact that Baskin-Robbins was on the score sheet?

22 A No, they did not.

23 Q You testified that you had earlier conversations
24 with Mr. Kratzenberg in January and in June of 1972, did you
25 not?

cp51

Kock-redirect

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A Yes, I did.

3

Q Did he at that particular time give you any instructions as to who could go on that particular score sheet?

5

6

A He told me certain advertisers he did not want, yes.

7

8

Q Who did he tell you couldn't go on them?

9

A Fast Food franchises such as MacDonald's.

10

I believe there was some bowling equipment stores that might carry bowling equipment that would be

11

in competition with the Brunswick bowling equipment.

12

He said he didn't really know if he wanted cigarettes. He

13

wasn't sure. But he knew he could not have liquor advertising

14

because it was prohibited by States.

15

Q Did he say anything about a coke drink or Coca-Cola or Pepsi-Cola?

16

17

A Yes, he did; but we could not have a competitive

18

beverage and that Coca-Cola was their beverage in their

19

bowling center.

20

Q Did he say anything to you about ice cream?

21

A No, he did not.

22

Q When did you get paid by the Army, if you recall?

23

24

A I believe it may have been in March or early

25

cp52

Kock-redirect

1 May. I don't know. I'm not sure. You have to check the
2 date.
3

4 Q Finally, Mr. Kock, you had testified, had you
5 not, yesterday about certain expenses?

6 A Yes, I did.

7 Q And Mr. Newman again asked you about those
8 expenses, didn't he, this morning?

9 A Yes, he did.

10 Q Did you from the time that you testified to
11 the time this morning that you were on the stand go over
12 this cash book and put together in an unhurried fashion
13 the sums you had expended as reflected in this cash book?

14 A Yes, I did.

15 Q Was that done last night?

16 A Yes, it was.

17 Q I show you this particular cash book. When
18 you were doing this were you doing it like yesterday with
19 a piece of paper and a yellow pad or were you using an
20 adding machine?

21 A I used an adding machine.

22 Q Could you tell us in the various categories
23 how much your particular calculations add up to? Will
24 you tell us first the category?

25 A Yes.

cp53

MR. NEWMAN: Is this the period August 10, 1972?

MR. BRASHICH: August 10, 1972, through May 2, 1973.

A Answering service total, \$215; telephone, \$1963.94; rent a car, \$975; apportioned rent of apartment for office --

MR. NEWMAN: If your Honor please, I don't believe that was testified to yesterday. I don't see how --

MR. BRASHICH: I will strike that, your Honor. I will withdraw that.

A We don't need that.

Sales trips, \$958.24; printing, \$54,379.95; tolls and gasoline expenses, \$315; miscellaneous, 100 --

MR. NEWMAN: I don't recall miscellaneous. I don't know whether miscellaneous would be a proper expenditure. I object to miscellaneous.

MR. BRASHICH: I will withdraw that, too, Mr. Newman.

Q proceed, Mr. Kock.

A Entertainment. \$625.23.

Q Stop at that particular point, Mr. Kock.

With regard to those entertainment figures that you are just testifying to, does that include the time you took me

1 cp54

319A
Kock-redirect

2 out for lunch?

3 A It does not.

4 Q It only deals specifically with advertisers?

5 A Advertisers.

6 Q Proceed, Mr., Kock.

7 A Stationery, \$311.11; legal --

8 MR. NEWMAN: Objection, your Honor.

9 THE WITNESS: It is not the same one.

10 MR. BRASHICH: I submit that these were legal
11 costs incurred prior to May 2, 1973.

12 MR. NEWMAN: These were legal costs, I would
13 think, that have to do with the claim against Brunswick.

14 THE WITNESS: No, I don't unfortunately --

15 THE COURT: Ask him what kind of legal costs.

16 Q What kind of legal costs did you have and with
17 whom did you incur them?

18 A I incurred them with you, Mr. Brashich.

19 Q Did you look at your cash book? Can you find
20 out the dates of payment to my firm, sir, and the amounts?

21 MR. NEWMAN: I will object.

22 MR. BRASHICH: I will withdraw the amounts
23 until such time as Mr. Kock testifies --

24 Q Could you give me the dates of payment?

25 A August 21, March 26.

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Q August 21 of what year?

A 1972, and August 26 -- excuse me. August 21, 1972, March 26, 1973, March 27, 1973.

MR. BRASHICH: May I proceed, your Honor?

Has he said what they were for?

Q Can you tell me what these particular sums were expended for?

A Yes, sir, for your helping me with contracts and advertising for the bowling score sheet in terms of advertisers and Brunswick in the time period as specified by Brunswick.

Q Did this have anything to do with the legal fees incurred in this litigation, Mr. Kock?

A No, I'm sorry, they didn't.

MR. NEWMAN: The dates of March 26, 27 are obviously times when Mr. Brashich had been retained to present a claim against Brunswick. I don't see how that could in any way be chargeable to anything.

THE COURT: Is that the ground of the objection?

MR. NEWMAN: Yes.

THE COURT: I will allow it.

Q Proceed, Mr. Kock.

THE COURT: He hasn't given those amounts.

Q What were the amounts?

1 cp56

2 A Can I give the amounts? All right.

3 \$2750.

4 O Proceed with the other things on the list that
5 you have.

6 MR. NEWMAN: Could he itemize which instead of
7 totalling these four days?

8 MR. BRASHICH: Three days.

9 THE COURT: Three days.

10 Why don't you give how much on which days?

11 THE WITNESS: On the 21st, \$250; on 3/26,
12 \$1500; and on 3/27, \$1000.

13 THE COURT: Have you got cost sheets, invoices
14 for those?

15 THE WITNESS: Yes, cancelled checks.

16 THE COURT: No. I said invoices.

17 THE WITNESS: I'm not sure if I do have exact
18 invoices. I was usually at Mr. Brashich's office and
19 typewriter.

20 THE COURT: I must say that as to those two
21 dates, it seems to me -- I was once a lawyer myself and
22 it sounds as though they may present some ground of objection
23 here. I have reference to March 26 and March 27. I'll
24 disallow March 27th. The jury will disregard it.

25 MR. NEWMAN: And March 26?

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322 A
Kock-redirect

THE COURT: I will allow March 26.

THE WITNESS: I claim they were specifically --

THE COURT: Please.

Q Are there any other sums on your list there,
Mr. Kock?

A Sums not spent but owed, yes.

Q What are those sums?

MR. NEWMAN: Are these only within the time
period that you were referring to, August 10?

Q After the legal fees that you just testified
about, is there any other item in your cash book, Mr. Kock?

MR. NEWMAN: I would like to be sure that we
have this time period.

MR. BRASHICH: From August to May of 1972.

Q Is there a sum in your cash book, Mr. Kock
or --

MR. NEWMAN: It is a leading question.

MR. BRASHICH: Can I lead?

THE COURT: Yes, go ahead.

Q Is there a sum in your cash book for services
of Gallup Testing Company?

A Yes, there is.

Q What is the date of that bill, sir?

A The date of the bill is September, 1972, I

1 cp58

323 A
Kock-redirect

2 believe.

3 Q What is the sum, Mr. Kock?

4 MR. NEWMAN: If your Honor please, the testi-
5 mony is that these are services rendered in June of 1972.

6 MR. BRASHICH: I submit that these are ser-
7 vices which were commenced in June, but the actual results
8 and the work was not done until subsequent to August and
9 was not submitted to --

10 THE COURT: It is not a ground of objection.
11 Some people send out their bills at intervals after they
12 have done work.

13 MR. NEWMAN: I appreciate that.

14 THE COURT: You may cross-examine on that.

15 MR. NEWMAN: This is expense incurred prior,
16 your Honor.

17 THE COURT: I'm sorry. I sustain that.

18 Q Did you deduct --

19 MR. NEWMAN: I am sorry. He is just going to
20 have to deduct that specific amount and tell the jury what
21 the amount is. Your Honor told him he couldn't introduce
22 that.

23 MR. BRASHICH: Allow me to finish my question.
24 I am not asking a specific amount.

25 Q If you deduct the sum in your cash book for

Gallup, and don't tell us what that sum is--

MR. NEWMAN: Thank you.

Q -- and if you deduct the sum which the Court has disallowed, the March 27 payment for legal fees, and if you deduct the sum that you had put in your --

THE COURT: Wait a second. You and Mr. Newman are going to get together at the recess and do the arithmetic.

MR. BRASHICH: No further questions.

THE COURT: Any recross?

MR. NEWMAN: I have no questions.

THE COURT: All right.

Just so counsel can do their arithmetic and for other reasons, why don't you take ten minutes.

(The jury left the courtroom.)

THE COURT: All right, you may step down, Mr. Kock.

(Witness excused.)

THE COURT: Why don't you gentlemen take those numbers and give the totals to the jury.

(Recess.)

(Jury present.)

THE COURT: Do you have agreement on the numbers, gentlemen?

1 cp60
2 MR. NEWMAN: Of course we can't verify every
3 item here. We have gone over the basic figures and Mr.
4 Brashich says it adds up to whatever the number is.
5 I'm just going to have to accept it. He has given me the
6 book to take home with me tonight if I have any problems.

7 THE COURT: We will tell the jury tomorrow if
8 you are able to agree by then.

9 You remember that, Mr. Brashich, if you will.

10 MR. BRASHICH: Yes.

11 THE COURT: You may proceed.

12 MR. BRASHICH: As my next order of proof I
13 should like to read the deposition of Mr. Gerald Oles, your
14 Honor. I am going to read the ladies and gentlemen of
15 the jury a certain deposition of Mr. Gerald Oles which was
16 held on June 13, 1974, at Youngstown, Ohio, before a David
17 R. Burton, a Notary Public, and the original of this
18 deposition is signed and sworn to.

19 THE COURT: I don't know if you all know this --
20 you probably do -- but a deposition is sworn testimony
21 taken before a trial, commonly in a courtroom or a lawyer's
22 office. The main difference between it and the testimony
23 you hear in the courtroom is that normally a judge is not
24 present, but it is given under oath and under certain rules
25 the deposition testimony may be used as evidence in a trial,

1 cp61

326 A

2 and that is what is happening now.

3 All right, Mr. Brashich.

4 MR. BRASHICH: Thank you, your Honor.

5 "Q Mr. Oles, what is your present occupation, sir?"

6 MR. NEWMAN: I'm sorry. I would like to know
7 where you are reading so I can follow it.

8 MR. BRASHICH: Starting at page 4.

9 "Q Mr. Oles, what is your present occupation, sir?"

10 "A I am in the business of selling silver and gold
11 for investment purposes.

12 "Q How long have you been so employed?

13 "A Since February.

14 "Q And prior to February of 1973, were you employed
15 by the defendant, the Brunswick Corporation?

16 "A I was employed by them up until May 12th of
17 1973.

18 "Q And for how long were you employed by the
19 defendant?

20 "A Since August of 1967, I believe.

21 "Q What was your first position with Brunswick?

22 "A I was Assistant Bowling Center Manager.

23 "Q And where was that, sir?

24 "A That was at the Gabby Hartnett Recreation in
25 Lincolnwood, Illinois.

cp62

"Oles

"Q How long did you have that position with Brunswick?

"A About six weeks.

"Q What was your next position or job with Brunswick?

"A My next position was Center Manager, Bowling Center Manager.

"Q Where, sir?

"A Brunswick King Pin Lanes in Cleveland, Ohio.

"Q Thereafter, what was your position with Brunswick?

"A I was bowling center -- I left the company for a short period of time.

"Q Was this on your own volition?

"A Yes. And then I came back as Center Manager at Brunswick, in Baden, Pennsylvania.

"Q How long were you so employed by Brunswick?

"A Pardon?

"Q How long were you employed in Baden by Brunswick?

"A I was there approximately 20 months.

"Q After that, what did you do for Brunswick?

"A I was promoted to a larger center, larger bowling center which was Brunswick Charger Lanes in Barberton,

1 cp63

"Oles

2 Ohio.

3 "Q And thereafter what did you do for Brunswick?

4 "A I was promoted to Regional Foods and Beverage
5 Manager for Brunswick Corporation.

6 "Q And after that, sir?

7 "A My territory was enlarged, and then from that
8 point I was promoted to Retail Merchandise Manager.

9 "Q After that, sir?

10 "A I was fired by Brunswick.

11 "Q I see.

12 "Now, all of these changes within the defendant's
13 corporate structure, were those promotions both in pay and
14 in responsibility?

15 "A Yes.

16 "Q Would it be a fair statement of fact, Mr. Oles,
17 to say that your employment history in the -- with the
18 defendant was an excellent one?

19 "A It would have to be based on promotions.

20 "Q Is it not a fact, sir, that you were the
21 individual most promoted within the Brunswick Bowling
22 Division during the period of time that you were employed
23 by them?

24 "A To my knowledge, that is correct. I know that
25 when I was put on that job they told me I had always been

1 cp64

"Oles

329 A

2 rated in the top 10 per cent as far as promotion ability
3 with the division.

4 "Q I see.

5 "Who was your immediate predecessor in the
6 last position that you had with Brunswick?

7 "A Bill Kratzenberg.

8 "Q When did you assume his position and his
9 responsibility?

10 "A February 15, 1973. That is formal take-over.

11 "Q When did you first meet Mr. Kratzenberg?

12 "A I had known Bill for a number of years. I
13 don't recall just exactly when. I met him first in Gabby
14 Hartnett Recreation. He was a management rep. He was a
15 sales rep for the bowling division for selling management
16 contracts to proprietors.

17 "Q Prior February 15, 1973, did you have any
18 occasion to discuss with Mr. Kratzenberg what the responsi-
19 bilities were of his position, which you then assumed
20 after February 15, 1973?

21 "A Yes. I believe that we discussed on the
22 surface some of the responsibilities of the job prior to
23 my interview with Mr. Bernie Rudo for that job.

24 "Q When did these discussions take place, Mr.
25 Oles?

cp65

"Oles

1 cp65
2 "A I don't -- I couldn't give you the specifics
3 on them. I don't really --

4 "Q January, February of 1973?

5 "A Some time close to that.

6 "Q During those discussions prior to February 15,
7 1973, was there any discussion relating to the bowling score
8 sheets for the Brunswick bowling centers?

9 "A I don't recall.

11 10 "Q Now, once you had assumed the position that Mr.
11 Kratzenberg left on or about February 15, 1973, did you have
12 any discussions with him relating to the bowling score sheet
13 situation?

14 "A This was covered generally with the other
15 responsibilities.

16 "Q By the way, where did these discussions take
17 place?

18 "A I think our first discussion was at the time
19 Bill was in the hospital in Wheaton, Illinois.

20 "Q Now, Mr. Kratzenberg was hospitalized at this
21 time?

22 "A Yes.

23 "Q How long was he so hospitalized, if you know?

24 "A I don't recall recall specifically. Maybe a
25 week or two.

1 cp66

"Oles 331 A

2 "Q Do you recall the reason why he was hospitalized?

3 "A He was in for a check of some sort, possibly.

4 I think it was related to a physical checkup in relation
5 to whether he might have some form of cancer or something.

6 I don't know whether that is entirely correct.

7 "Q Was it the reason for leaving the position that
8 he had?

9 "A No.

10 "Q Do you know what period of time Mr. Kratzenberg
11 was ill or ailing prior to his hospitalization?

12 "A I have no idea.

13 "Q Do you recall what Mr. Kratzenberg said to you
14 and what you said to him during those discussions that
15 were had at the Wheaton Hospital?

16 "A Not specifically.

17 "Q Was the name Winston E. Kock ever mentioned at
18 that particular time?

19 "A Well, at the time that he oriented me to the
20 position, some time between the time he was in the hospital
21 and the two weeks that he spent with me after being released
22 from the hospital, we did discuss the score sheet situation.

23 "Do you want me to go on?

24 "Q Yes.

25 "A Basically, I was basically told that we had a

1 cp67

"Oles 332 A

2 new supplier for score sheets and shown the score sheet²⁹⁹
3 sample and told that Winston Kock was the man that I
4 would be working with in this area and that Walt Peabody
5 was being discontinued because of problems they had had
6 in the past with his people irritating our people in
7 the bowling centers and quality of score sheet, and the
8 idea was to go with National Advertisers where we wouldn't
9 have all this bother to the local center manager.

10 "Q And did he show you a copy of the new score
11 sheet which was going to be used?

12 "A Yes.

13 "Q And that was in early February of 1973?

14 "A Some time in February.

15 "Q And did he tell you when the new score sheet
16 was going to start to be used by Brunswick?

17 "A I don't recall. He must have covered that but
18 I don't recall specifically, you know. I can't bring it as
19 a point of memory. I know I was told to read the file.
20 I was shown where the file was and I reviewed the file.

21 "Q Now, did there come a time that you reviewed the
22 file on Winston E. Kock's bowling score sheets?

23 "A I reviewed the file on Winston Kock and Peabody
24 both.

25 "Q And that was in early February?

1 cp68

333 A
"Oles

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2 "A Some time in February.

3 "Q Now, when you reviewed the file did you come
4 across this letter, sir?

5 "Mr. Newman: Did you identify the letter?

6 "Mr. Brashich: The letter is Defendant's
7 Exhibit U for identification at an examination on January 28,
8 1974.

9 "Mr. Newman: What is the date?

10 "Mr. Brashich: And the letter is dated
11 November 27, 1972, from the defendant Brunswick, by
12 William Kratzenberg, to Walter Peabody Advertising Services,
13 Inc.

14 "Mr. Newman: Thank you.

15 "A I recall reading the letter, yes.

16 "Q Now, at the time ghat you read the Peabody and
17 Kock file, did you come across any contract or agreement
18 with Walt Peabody Advertising Services, Inc. for the supply
19 of bowling score sheets for the year 1972-1973?

20 "A No, no.

21 "Q Subsequent to your taking the position on
22 February 15, 1973, up to the commencement of the Peabody
23 lawsuit, did you have any communications whatsoever of any
24 nature both written or oral with Walt Peabody Advertising
25 Services, Inc.?

"A No. The first part of the question again,

1 cp69

2 please?

3 "Q From the time that you took the job on February
4 15th?

5 "A Yes.

6 "Q From the time you took the job until Peabody
7 sued Brunswick, did you have any written or telephonic
8 communication with Walt Peabody?

9 "A I don't recall.

10 "Q During that particular period of time did you
11 have any written or telephonic communication with the
12 plaintiff, Winston Kock?

13 "A I don't remember when my first communication with
14 Win was specifically. I mean, I couldn't give you a date
15 or I couldn't remember the first communication other than
16 the fact that Mr. Rudo told me that he had talked to Mr.
17 Kock and that I was to get in touch with him and take care
18 of him. That was part of my responsibilities. I was out
19 in the field, I believe, when this occurred.

20 "Q And after this particular communication between
21 Mr. Rudo and Mr. Kock, did you have the opportunity to speak
22 to Mr. Kock?

23 "A Yes, I called him and we talked about the score
24 sheets coming in, and I asked him or dates of, you know,
25 when they would arrive, that type, we had a general dis-

cp70

"Oles

cussion. We introduced ourselves to each other over the telephone, and he said he would send me the timetables as to when the score sheets would arrive, which he did, as I recall, and I asked him not to communicate with Bernie any further on this matter because I was handling all the detail on it and I would be able to -- I would take care of it from there, which he did. He followed through.

"Q Now, during these conversations that you had with Mr. Kock, do you recall any specific time or times that these score sheets were going to be placed in the Brunswick bowling alleys?

"A It seems to me as, you know, as far as I can remember, they were supposed to be in the bowling centers for use by March 1st, and I don't know whether there was a contingency there or not -- I can't recall -- as to the fact that whatever was in use as far as Peabody sheets were supposed to be discontinued by April 1st or not. I don't recall exactly, but I know that the first, the first date that I can recall is that around the 1st of March we were supposed to use Mr. Kock's sheets.

"Q And did there ever come to your attention -- was it ever brought to your attention that Peabody was delivering bowling score sheets in large quantities to

1 cp71

336 A
"Oles

2 your various bowling centers?

3 "A Yes. I don't recall the specific circum-
4 stances. It seems to me that I got a communication from
5 Win, whether it was via telephone or he sent a letter,
6 that a large number of score sheets had been delivered to
7 some specific center, which I don't recall. Win was
8 objecting to this. That's all I can tell you that I
9 recall, wherever it was.

10 "Q I show you Defendant's Exhibit M for identi-
11 fication from the examination held on January 28, 1974,
12 which is a letter dated February 8, from the plaintiff to
13 the defendant. In reading the file, when you took over
14 the position of the national merchandise manager, do you
15 recall seeing a copy of this letter?

16 "A Oh, yes.

17 "Q Now, I show you Defendant's Exhibit D for
18 identification from the examination of January 28, 1974,
19 which is an internal memorandum dated January 24, 1973,
20 from Mr. Kratzenberg to District Managers, Regional Managers
21 and B. Rudo, and ask you whether you had seen that particular
22 internal memo after you had assumed the position of national
23 merchandise manager?

24 "A Yes, I saw this memo.

25 "Q And I show you Defendant's Exhibit B for identi-

fication from the same examination of January 28, 1974, which is a copy of a letter dated January 5, 1973, from William M. Kratzenberg, on behalf of the defendant Brunswick Corporation, to Carter Wallace, and ask you whether you had seen this particular document subsequent to February 15, 1973?

"A After February 15 I saw this at some time.
I don't recall specifically when.

"Q Now, I show you Defendant's Exhibit E for identification, which is a memorandum dated February 27, 1973, from you, Mr. Oles, to the District Managers, Regional Managers and Bernie Rudo, and ask you did you send this particular memorandum?

"A Yes, I sent this.

"Q Could you tell us the purpose of that memorandum?

"A To establish a clear communication, as I recall it, as to what they could expect as far as score sheets.

"Q Is it not a fact then, Mr. Oleas, that it was your understanding that Mr. Kock did in fact have an agreement or a contract with Brunswick exclusively for bowling score sheets commencing March 1, 1973?

"A That he did have an agreement with them?

"Q Yes.

"A As far as I know he had an agreement to furnish

cp73

"Oles

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all centers in the United States with score sheets. That was my understanding.

"Q Commencing March 1, 1973?

"A I don't recall the specific ramifications of the agreement, but I know that, you know, as I related previously, that I thought, you know, the target date was like things were to begin commencing March 1st.

"Q Was it also your understanding that Brunswick had terminated its agreement with Peabody, if there was one, on December 1, 1972?

"A Yes, I saw the memo concerning this.

"Q And that was the Kratzenberg memo of November 27th?

"A I thought it was December something. It's not here. There is a memo there somewhere.

"Mr. Brashich: Let's go off the record.

"(Discussion had off the record.)

"Q You have testified, Mr. Oles, that you had seen a memo or a letter of cancellation or a document which you had heretofore said you believe was in December?

"A Uh-huh.

"Q Of 1972?

"A Right.

"Q Now, I show you Defendant's Exhibit U for

cp74

"Oles

identification from the examination of January 28, 1974, which is a letter dated November 27, 1972, from Brunswick to Peabody, and ask you is this what you refer to?

"A Yes, this is the one I was referring to.

"Q Now, I bring to your attention Plaintiff's Exhibit 16 for identification, a memorandum dated December 21 from S.E. Irons, to Kratzenberg with regard to the Peabody score sheets and ask you whether you had seen that particular document subsequent or after February 15, 1973?

"A I saw this document, yes. I'm familiar with it.

"Q Do you recall when you saw that document -- was it before or after the Peabody suit?

"A I don't recall exactly. Might have been when I read the file. It might have been when Peabody filed the injunction and I reviewed the file. It could have been either of those times.

"Q After you had assumed the position of merchandise manager in February of 1973, did you ever have any discussion with Mr. Kock as to the delivery of the score sheets?

"A Yes, I had discussion with him. I had asked him for schedules, which he sent, of when they should be

cp75

"Oles

arriving from the printer.

"Q And do you recall when those deliveries were?

"A No, I don't remember the dates. There were over 200 centers. Well, not over 200 because we had 170 some I think in the United States, so it is impossible for me to remember the dates or the centers.

"Q Did you ever receive any communication, whether written or oral, from Mr. Kock relating to the fact that some of the centers had not responded as to their score sheet needs?

"A Yes.

"Q And did you do anything about it?

"A Seems to me that -- I don't recall specifically, but I think a memo was written asking them to send post-cards in or to relate their needs to Mr. Kock.

"Q Do you recall when approximately this took place?

"A Not specifically. I couldn't give you the exact date.

"Q Now, did there come a time that Peabody sued Brunswick?

"A Yes.

"Q Do you recall when that was?

"A I don't know the specific date.

"Q Just prior to the commencement of the lawsuit you

1 had testified that you had sent out this February 27th
2 memorandum?
3

4 "A Uh-huh.

5 "Q Who received copies of this memorandum, if
6 you know?

7 "A Everyone that is on that copy list.

8 "A That is the District Managers and the Regional
9 Managers?

10 "A And Mr. Rudo.

11 "Q And Mr. Rudo?

12 "A These are the ones that are listed.

13 "Q And your office as merchandise manager was
14 located where, sir?

15 "A Was located on the third floor of Building G
16 in Skokie.

17 "Q I see. And where was Mr. Rudo's office at the
18 time?

19 "A Three or four doors down.

20 "Q Now, on February 27, 28 or 29 did you have any
21 conversations with Mr. Rudo relating to this memorandum?

22 "A I don't recall specifically.

23 "Q Did Mr. Rudo during the next two or three days
24 ever come to your office and say Brunswick doesn't have an
25 agreement with Win Kock, we have an agreement with Peabody?

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cp77

"Oles

1
2 "A I don't recall any conversation.

3 "Q Did anybody, of all these people that got copies
4 of this memo, call you up and say, hold on there. we have
5 an agreement with Peabody, not with Kock?

6 "A Not that I can recall.

7 "Q On February 27th or immediately thereafter
8 what was Mr. Kratzenber's position with Brunswick, if you
9 know?

10 "A He was district manager.

11 "Q Did you send him a copy of that memo?

12 "A All district managers received a copy.

13 "Q Did he call you and tell you, 'Jerry Oles, we
14 do not have a contract with Win Kock, we have a contract
15 with Peabody?'

16 "A I don't remember him calling me.

17 "Q And is it not a fact that Mr. Kratzenber was
18 your predecessor in the position of general merchandise
19 manager of Brunswick?

20 "A That is correct.

21 "Q And is it also true to say, Mr. Oles, that the
22 individual in charge of bowling score sheets for Brunswick
23 is the national merchandise manager?

24 "A Yes.

25 "Q Is that one of the functions and one of the

1 cp78

"Oles

2 responsibilities of that position?

3 "A That's what it was at that time.

4 "Q Yet no one called you about this memo.

5 "What position does Mr. Rudo have with Brunsw-
6 wick?

7 "A He's vice-president of operations for the
8 bowling division.

9 "Q And in the scheme of the internal operation
10 of Brunswick does he have any control or any authority
11 over who is to furnish Brunswick with bowling score sheets?

12 "A Certainly.

13 "Q In the event that Brunswick would change a
14 supplier in the bowling division, who would have the
15 authority to do so at the time that you were employed in
16 that position?

17 "A The national merchandise manager would have the
18 authority to do so, but by --

19 "Q Would he need the approval of Mr. Rudo?

20 "A He should have it.

21 "Q Now, I show you Defendant's Exhibit D for
22 identification which is the January 24th memo.

23 "A Uh-huh.

24 "Q And could you tell me to whom this memo was
25 directed, if you know?

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1 cp79

"Oles

2 "A To the Bowling Center Managers, District Managers,
3 Regional Managers and B. Rudo.

4 "Q And that is the same Bernard Rudo who was in
5 charge of this bowling division, is it not?

6 "A That is correct, right.

7 "Q And was it standard operating procedure for
8 that particular division of Brunswick that these memoranda
9 would go to Mr. Rudo to keep him advised of what was trans-
10 piring in any given field of endeavor?

11 "A On most major areas of endeavor.

12 "Q Now, you had testified, had you not, Mr. Oles,
13 that you, upon assuming the position of national merchandise
14 manager, you did see a copy of this January 24th memo?

15 "A Yes, I recall seeing the memo. It was in the
16 file.

17 "Q Do you recall seeing it some time in February?

18 "A Yes, I recall, yes.

19 "Q You used this document, did you not, Mr. Oles,
20 to try and find out whether Peabody had a contract, whether
21 Win Kock had a contract, where you were going to get score
22 sheets for 1973-1974, this is one of the documents which
23 you saw, sir; is that not a fact?

24 "A Yes, I saw the document. In response to your
25 question, it was part of the overall picture that was in

1 cp80

"Oles

2 that file.

3 "Q And did you then come to the conclusion that
4 Winston Kock did have an agreement with Brunswick and that
5 it was to commence on or about March 1, 1973?

6 "A Based on all the information that was available
7 to me it was my understanding that he was going to furnish
8 us score sheets.

9 "Q Now, did there come a time that Mr. Kock did
10 send you or did send the various Brunswick bowling alleys
11 the score sheets?

12 "A Yes.

13 "Q To your knowledge, were they ever received?

14 "A We had some problems, which I called Win about,
15 but most of them were coming in. There were cases of not
16 score sheets coming in in some places, and Hal Flemings,
17 district manager in California -- they had not received
18 them and they were buying them from the local Brunswick
19 warehouse, but I related this to Win and I told Hal Flemings
20 to keep a record of the cost incurred and we would get to
21 Win on this.

22 "Q Now, sir, do you have any interest in the
23 outcome of this litigation?

24 "A None whatsoever.

25 "Q Has anybody promised you anything for your

1 cp81

"Oles

2 testimony here?

3 "A Nothing whatsoever.

4 "Q Mr. Oles, you had testified that it was your
5 understanding that Mr. Kock had an agreement with Brunswick
6 commencing some time in March of 1973; is that right, sir?

7 "A As I related it on previous testimony, based
8 on, you know, the detail that we covered.

9 "Q Was this contract an exclusive contract in
10 your understanding and nobody else was supposed to have
11 bowling score sheets there?

12 "A Yes, as far as I know, as much as I remember.

13 "Q And was it for all of the bowling centers simult-
14 aneously, all of them at once?

15 "A In the United States?

16 "Q Yes.

17 "A Yes.

18 "Q Now, there came a time that Peabody sued Bruns-
19 wick and Kock, is that not a fact, sir?

20 "A Yes.

21 "Q And to your knowledge was this lawsuit settled?

22 "A Yes.

23 "Q And do you recall when that particular lawsuit
24 was settled?

25 "A I don't recall the exact date, no. I was

involved in it.

"Q I show you Plaintiff's Exhibit A for identification from the examination held on March 27, 1974, and ask you whether that refreshes your recollection as to when the lawsuit with Peabody was settled?

"A Yes. I sent this memo out.

"Q Was the lawsuit already settled at that time, if you know?

"A I'm just trying to recall.

"Q Let me show you Plaintiff's Exhibit 17 for identification from the examination held on March 27, 1974, and ask you whether that refreshes your recollection?

"A I don't remember if the lawsuit was settled at this time. This is a copy. What you are saying -- this is a copy of the agreement?

"Q Of settlement.

"A 14th day of March, the agreement of settlement?

"Q Yes.

"A So I would think I wrote this the following day after we settled. That's what it looks like.

"Q So would it be a fair statement of fact, sir, to say that the lawsuit was settled in approximately 12 days?

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"Oles

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"A I don't recall when it was initiated.

"Q Was it initiated prior to your February --

"A See, what I am saying is I don't recall the specific dates.

"Q Had Peabody sued Brunswick on February 27th when you wrote that particular memo?

"A I don't think so. I wouldn't state for sure.

"Q Between February 27, 1973, and March 14, 1973, the date of the settlement agreement, do you recall whether there was any correspondence or communication in writing with Mr. Kock?

"A With Mr. Kock? I don't recall.

"Q Was Mr. Kock advised of the settlement agreement which had been made with Peabody?

"A Mr. Kock wasn't advised of anything on our behalf until I asked him to come to Chicago.

"Q Do you recall when that was, sir?

"A I don't recall the specific date.

"Q Now, I show you a letter, a copy of a letter dated March 27, 1973, written to Mr. Kock and signed by you and ask you whether you have ever seen that particular document which is Defendant's Exhibit BBB from the examination of January 27, 1974; have you ever seen a copy of that letter before?

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"Oles

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"A Oh, yes, I wrote the memo.

"Q Is it not a fact, sir, that that letter was dictated and given by hand to Mr. Koch on March 27, 1973, after conference was held at which were present yourself, Mr. Koch, myself and Mr. Irons at Skokie, Illinois?

"A I don't remember giving that to you. I know that you -- remember writing it.

"Q Was such a conference held at Skokie, Illinois?

"A Yes.

"Q And is that the meeting that you refer to that, at which point Mr. Koch was first advised of the settlement which was made with Peabody?

"A Yes.

"Q So that was approximately 13 days after the settlement was completed; is that a fact, sir?

"A I don't know. It seems to me that I called you immediately after we had agreed to -- it hadn't even been written up with Peabody yet. His attorneys had been there and Peabody had been in Skokie. It seems I called you right after that and asked you to come in. So I don't know about the time lapse, if that is of significance.

"Q Isn't it a fact that on March 16th you had a conversation with Mr. Koch by telephone, and isn't it a fact

1
2 that during that particular conversation you had requested
3 Mr. Kock to come to Chicago on March 26th, which was there-
4 after, which was confirmed?

5 "A Yes, I did ask him to come in.

6 "Q And you had a meeting on March 26th?

7 "A I don't know if that is the specific date, but
8 I did ask him to come in and he did come in.

9 "Q And on that conversation on March 16th, did you
10 advise him of the settlement with Peabody?

11 "A Yes.

12 "Q Was that already an accomplished fact?

13 "A It was as far as I was concerned. I had been
14 given the okay by Mr. Irons and Mr. Rudo. I mean, we were all
15 in agreement that it was settled. We were going to live
16 up to the expiration dates as to the contract that had been
17 shown us by Peabody.

18 "Q During the settlement negotiations with Peabody
19 was Kock part of these at all?

20 "A No.

21 "Q Was he a named defendant in that case, to your
22 knowledge, sir?

23 "A To my knowledge -- I don't recall.

24 "Q I show you Plaintiff's Exhibit 8 for identi-
25 fication which you had previously testified to. Do you

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"Oles

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recall when this was given to Mr. Kock?

"Did there ever come a time when Mr. Kock was given a copy of Plaintiff's Exhibit 8?

"A It seems to me, if I recall correctly, that I gave you a copy of this when you visited us in Chicago.

"Q And, sir --

"A I'm not certain now, but whether -- we made up more than one of these because we reviewed this, but it seems to me I furnished Mr. Kock with a copy of what we were going to live up to with Peabody as far as expiration dates in specific centers. Whether this is the particular copy or not, I don't recall.

"Q Now, you had testified earlier on, and show you attached to it a number of sheets. Would it be fair to say that these were the termination dates which were transmitted with your letter of March 27th?

"A I don't know, because there was some mix-up originally in verification. Peabody was claiming more time on some of these things and that was the purpose of bringing him in with the contracts to pin this down to specifics.

"Q On May 1, 1973, you were still the regional merchandise manager, were you not?

1
2 "A Yes.

3 "Q And Brunswick was still in the business of
4 bowling, was it not?

5 "A Yes.

6 "Q And it had approximately 180 bowling centers
7 throughout the United States, had it not?

8 "A Yes.

9 "Q And these bowling scoresheets, these bowling
10 centers used score sheets, did they not?

11 "A Yes.

12 "Q Now, these 180 bowling centers, whose score
13 sheets were they using on May 1, 1973?

14 "A They were using Peabody's score sheets. I don't
15 know whose score sheets they were using, let's put it that
16 way. They were instructed to use Peabody's score sheets
17 because they were furnished with expiration dates, up until
18 date of expiration, and to use Mr. Kock's scoresheets upon
19 expiration. That was what the instruction was.

20 "Q But is it then a fair statement of fact that
21 not all of the bowling centers were using Mr. Kock's score
22 sheets?

23 "A Not all were using --

24 "Q Mr. Kock's score sheets?

25 "A Oh, yes, that's a fair statement because it is

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"Oles

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obvious that they were furnished expiration dates and they were not to use his score sheets where they had to live up to Peabody's expiration dates. That's got to be a fair statement. I'm sure some of them had to comply with that.

"Q Now, subsequent to the institution of the lawsuit by Mr. Peabody, during the discussions that you had which terminated in the settlement agreement of March 14th, did you have any conversation at that time with Mr. Kratzernberg?

"A Mr. Kratzenberg?

"Q Kratzenberg.

"A I don't remember.

"Q Do you know whether or not Mr. Rudo made any conversation or communications with Mr. Kratzenberg in that period March 2 or 3 and March 14th?

"A I don't know.

"Q Do you recall seeing any correspondence between Mr. Rudo and Mr. Kratzenberg during that specific period of time?

"A Not that I can remember.

"Q Well, sir, Mr. Kratzenberg was your immediate predecessor?

"A Right.

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"Oles

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1 "Q And he was in charge for at least a year prior
2 to February 15, 1973, of the position of national merchandise
3 manager, was he not?
4

5 "A Yes, as I recall it.

6 "Q And when the lawsuit was commenced by Peabody,
7 you had that position for only some 15 days, is that not a
8 fact?

9 "A Whatever the dates were between February 15th and
10 the commencement, yes.

11 "Q And Mr. Rudo was the person in charge of this
12 whole division, was he not?

13 "A Of the operations, yes.

14 "Q And is it also a fair statement of the facts,
15 sir, that Mr. Kratzenberg was in charge on a day to day
16 basis with both Peabody and Kock prior to February 15
17 1973?

18 "A From the staff position point of view I would
19 say, just as I was.

20 "Q But then to your knowledge you do not know
21 whether Mr. Rudo ever contacted Mr. Kratzenberg during
22 that period of time?

23 "A I couldn't say specifically. I don't know
24 specifically.

25 "Q And you don't recall speaking to Mr. Kratzen-

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"Oles

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berg at that particular time?

"A At the time, I don't recall. I may have spoken to him. I consulted with him and, you know, covering many subjects, but I don't recall any specific conversation.

"Q With regard to the lawsuit after March 2 or 3?

"A Yes. I don't recall anything specific. I talked to him about a lot of things, you know.

"Q Once the lawsuit was commenced, did you search the file of the Peabody and the Kock files for a contract with Peabody?

"A Yes.

"Q Actual written contract?

"A Yes, I believe I did.

"Q And did you find such a written contract for 1972-1973?

"A With whom?

"Q With Peabody.

"A With Peabody?

"Q Yes.

"A There was nothing written in the file concerning '72 and '73. If I recall correctly, there was a communication around 1966 which indicated initiation of Peabody's service, and this had never been orally or, never had been,

no one had ever gone in writing, as I recall, to terminate this prior to this November letter that was sent out, so it was just a continuing, continuing thing.

"Q Showing you Plaintiff's Exhibit 2 for identification, Plaintiff's Exhibit 3 for identification, Plaintiff's Exhibit 4 for identification, Plaintiff's Exhibit 5 for identification, and all from the examination of March 27, 1974, and ask you after February 15, 1973, did you have an occasion to see these documents?

"A Yes. I don't remember how much of them I retained, but, you know, upon looking at them they are familiar to me.

"Q Would it be a fair statement of fact that since July of 1972 there was correspondence about the termination of the Peabody supply of score sheets?

"A According to those memos, yes."

I have nothing further.

May I have Plaintiff's Exhibits 7, 10 and 11?

MR. NEWMAN: In connection with the reading?

MR. BRASHICH: Yes, in connection with the reading. You have them. They haven't been introduced as yet. I have reference to Plaintiff's Exhibits 7, 10 and 11, which are your G, J and K.

Is there possibility of breaking for lunch

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2 at this point, sir?

3 THE COURT: All right, let's take a recess and
4 let's come back at 2.25.

5 (Luncheon recess.)
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A F T E R N O O N S E S S I O N

2.30 P.M.

(Jury present.)

MR. BRASHICH: At the present time, plaintiff offers into evidence Exhibits 7, 10 and 11.

MR. NEWMAN: I have no objection.

(Plaintiff's Exhibits 7, 10 and 11 received in evidence.)

MR. BRASHICH: With your leave, I would like to read Plaintiff's Exhibit 7, or a portion thereof.

(Mr. Brashich read from Plaintiff's Exhibits 7 and 11.)

MR. NEWMAN: Have you skipped the July 25?

MR. BRASHICH: Yes, I have.

MR. NEWMAN: That is one of the exhibits you asked for.

MR. BRASHICH: Yes. Are you objecting to my Exhibit 11?

MR. NEWMAN: I object to his reading of Exhibit 11 unless he reads 10. I think they ought to have been handed to the jury. I ask that he read all three.

THE COURT: You can read the other one if you want to.

MR. NEWMAN: Thank you.

(Mr. Brashich read from Plaintiff's Exhibit 11.)

MR. BRASHICH: At the present time, your Honor, under 43-B, plaintiff calls William Kratzenberg to the stand.

MR. NEWMAN: If your Honor please, there were certain portions of the deposition of Mr. Oles that I would like to read.

THE COURT: You may.

MR. NEWMAN: May I do so at this time?

THE COURT: Yes.

MR. NEWMAN: I will read from the deposition of the witness Oles, beginning at page 44, my questions of Mr. Oles, beginning at the bottom of page 44:

"Q Mr. Oles, I would like to refer you to the letter of March 27, 1973, which has been given a number of Exhibit BBB, and which you have previously looked at this morning. This is a letter from you addressed to Mr. Kock. Will you tell me if you were asked by either Mr. Kock or Mr. Brashich to give them this letter?

"A No, I don't recall being asked by them. It was just part of the procedure to notify them of what had occurred with Peabody. That is why I wrote it up, as I recall.

"Q This letter was given" --

1 cp
2 And then I was interrupted by Mr. Brashich, who
3 stated:

4 "Mr. Newman, perhaps I can help you. I was present.
5 It was at the specific request of myself that this particul-
6 ar letter was written, and Mr. Kock. The wording and the
7 contents thereof were Mr. Oles' and were not ours. The
8 letter which we requested was not sent to us, but this
9 letter was the result of a specific request which we made
10 on March 26. I will so concede for the record.

11 "Q Does Mr. Brashich's statement refresh your
12 recollection?

13 "A Yes, it seems to me that they did ask me for
14 something now that he mentions this. They did ask me
15 for something that they could show their advertisers, if
16 that is correct, at the time of our conversation."

17 Page 46:

18 "Q Mr. Oles, I would like to show you a copy of
19 another exhibit in this case called Defendant's Exhibit YY,
20 which is a letter to Mr. Kock dated May 2, 1973."

21 Parenthetically, I will call the attention of
22 the Court to the fact that that is Plaintiff's Exhibit 32.

23 MR. BRASHICH: I will object to anything
24 parenthetical.

25 MR. NEWMAN: I will explain that YY, at the

1
2 time of the questioning, is the same exhibit that we call
3 Plaintiff's Exhibit 32.

4 THE COURT: He may do that. The objection
5 is overruled.

6 MR. NEWMAN: "Q I would like to show you a
7 copy of another exhibit in this case called Defendant's
8 Exhibit YY, which is a letter from you to Mr. Kock dated
9 May 2, 1973. Do you recall sending this letter?

10 "A Yes, I recall it.

11 "Q And do you recall the circumstances under which
12 you sent this letter, the reasons for which you sent the
13 letter?

14 "A I received a call from Bradley, Warren Bradley,
15 District Manager Warren Bradley, giving me some specifics
16 on the non-sequential orders which would be a deterrent
17 to security, to good registration, and asked him to docu-
18 ment the numbers and forward me the documentation, the
19 specifics, and that I would contact Mr. Kock and advise him,
20 which this particular memo is the result of.

21 "Q What purpose is it necessary that the numbers
22 on the bowling score sheet be in numerical sequence?

23 "A If they are not in numerical sequence we cannot
24 properly audit them.

25 "Q Is the lack of numerical sequence a matter of

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"Oles

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serious consequence to you?

"A Absolutely."

Page 48:

"Q Looking at the exhibit I gave you, Box 23, Normandy Lanes, how was it harmful to the operation of the bowling center to have the s-ore sheets numbered in this manner?

"A Well, first of all with gaps, whenever you have gaps you are in a situation where you cannot maintain absolute control over registration at time of receipt of money. There is nothing to prevent whoever is at the control counter from taking a box of sheets out of sequence, out of their numerical sequence, taking the money and not registering it and just keep that, using one pad. It could be done on an alternate pad basis or continuous basis. It is one of the cross checks used to insure that the money gets into the cash register."

Your Honor, certain documents were identified during the course of Mr. Oles' deposition as read by Mr. Brashich. At this time I would like to introduce into evidence those documents that were identified in the reading of Mr. Oles' deposition.

THE COURT: Go ahead.

MR. NEWMAN: I would like to introduce the

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"Oles

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document that was mentioned at page 69 as Plaintiff's Exhibit 16, which is our Exhibit S, and the document which was mentioned at pages 36 to 37 as Plaintiff's Exhibit 8, which is our Exhibit BB.

THE COURT: You are introducing them by the defendant's designations now?

MR. NEWMAN: Yes, I am, unless your Honor feels that it should be by plaintiff's designations.

THE COURT: I don't have any feelings on such subjects. I just want to know what you wish to do.

MR. NEWMAN: I will give them by defendant's designations.

THE COURT: All right.

(Pause.)

THE COURT: Is there any objection?

MR. BRASHICH: I object as to Exhibit S, your Honor. May we approach the side bar on Exhibit S?

THE COURT: Yes.

(At the side bar.)

THE COURT: Yes, Mr. Brashich.

MR. BRASHICH: One moment, your Honor.

MR. NEWMAN: May I also direct your Honor's attention to the reading of the Oles deposition with reference to that particular document?

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1 THE COURT: Mr. Brashich, you say you wanted to
2 come up.

3
4 MR. BRASHICH: I will not object to BB, your
5 Honor.

6 THE COURT: All right.

7 (Defendant's Exhibit BB received in
8 evidence.)

9 MR. BRASHICH: My objection with regard to
10 this particular document is that it is a work product of
11 an attorney which in no way can bind the plaintiff.

12 THE COURT: I think that is right.

13 MR. NEWMAN: Yes, your Honor, but Mr. Brashich
14 introduced it himself when he read the deposition.

15 THE COURT: He had it marked for identification.

16 MR. NEWMAN: I appreciate that, but when he
17 read the deposition and he asked the witness about it,
18 when he asked the witness to draw a conclusion from that,
19 then I think --

20 THE COURT: Let me hear the pertinent part of
21 the deposition.

22 MR. NEWMAN: "Q Now I bring to your attention
23 Plaintiff's Exhibit 16 for identification, a memorandum
24 dated December 21, from S.E. Irons to Kratzenberg with
25 regard to the Peabody score sheets, and ask you whether

1 cp

"Oles 365 A

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2 you had seen that particular document subsequent or after
3 February 15, 1973?

4 "A I saw this document, yes. I'm familiar with
5 it.

6 "Q Do you recall when you saw that document?
7 Was it before or after the Peabody suit?

8 "A I don't recall exactly. Might have been when
9 I read the file. It might have been when Peabody filed
10 the injunction and I reviewed the file. It could have
11 been either of those times."

12 THE COURT: Yes. You mean the file includes
13 this. Where is the specific reference to this?

14 MR. NEWMAN: Mr. Brashich brought it to the
15 attention of Oles.

16 THE COURT: Read it.

17 MR. NEWMAN: Yes.

18 "Q Now I bring to your attention Plaintiff's
19 Exhibit 16." That is the document.

20 THE COURT: That is this?

21 MR. NEWMAN: Yes, that is the document.

22 MR. BRASHICH: I just asked whether he had seen
23 it before.

24 THE COURT: Did you say he drew that conclusion
25 from this document?

1 cp

"Oles

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2 MR. NEWMAN: And Oles answered: "I saw this
3 document, yes, I'm familiar with it."

4 THE COURT: Yes.

5 MR. NEWMAN: Then it continues:

6 "Q Do you recall when you saw that document?
7 Was it before or after the Peabody suit?

8 "A I don't recall exactly. Might have been when
9 I read the file. It might have been when Peabody filed
10 the injunction and I reviewed the file. It could have been
11 either of those times."

12 What Mr. Brashich was doing was leading up to
13 the memorandum of February 27.

14 THE COURT: Yes, but I'm going to sustain the
15 objection. I don't think you can get this in. It is
16 legal opinion from that kind of foundation.

17 (In open court.)

18 THE COURT: All right, does that complete the
19 Oles deposition?

20 MR. NEWMAN: Yes, it does.

21 THE COURT: And things incident to it?

22 You are calling Mr. Kratzenberg; is that it?

23 MR. BRASHICH: Mr. Kratzenberg, your Honor, as
24 an adverse witness.

25 THE COURT: Let's proceed.

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2 WILLIAM MARTIN KRATZENBERG,

3 called as a witness on behalf of the plaintiff,

4 being first duly sworn, testified as follows:

5 DIRECT EXAMINATION

6 BY MR. BRASHICH:

7 Q Mr. Kratzenberg, in June of 1970 were you
8 employed as the merchandise manager of the Brunswick
9 Corporation?

10 A No, I was not.

11 Q Were you employed in June of 1972 as the
12 national merchandise manager of Brunswick Corporation?

13 A Yes.

14 Q In June, and I will appreciate if you answer
15 these questions yes or no, in June of 1972, to your knowledge,
16 did the Brunswick Corporation have a written contract with
17 Walt Peabody Advertising, Inc.?

18 A No.

19 Q Subsequent to June, 1972, through March of 1972,
20 did the Brunswick Corporation have a written contract with
21 Walt Peabody Advertising, Inc.?

22 A I'm confused as to the definition of a written
23 contract.

24 MR. BRASHICH: Will the reporter read the
25 question again?

1
2 THE COURT: Now, it won't help. We have lots
3 of lawsuits over that. That confuses lawyers and judges.
4 You will have to ask him some other question.

5 Q From June of 1972 to March of 1973, did you
6 have in your possession a piece of paper upon which was
7 affixed a signature of someone acting on behalf of
8 Brunswick Corporation and also a signature of someone
9 acting on behalf of Walt Peabody Advertising, Inc.?

10 A No.

11 Q In January of 1973 did you from your personal
12 knowledge know what Brunswick's commitments were to Walter
13 Peabody Advertising, Inc.?

14 A I knew what they were from the respect that
15 Peabody was selling advertising on an on-going basis in
16 the various bowling centers for a 12-month period.

17 Q You knew that?

18 A Yes, sir, I did.

19 Q Did you in January or February of 1972 tell
20 Peabody that you were going to live up to your legal commit-
21 ments that you had with them?

22 A No, I did not.

23 Q Did you intend in January or February of 1972
24 to live up to those legal commitments, Mr. Kratzenberg?

25 THE COURT: Do you mean 1972?

MR. BRASHICH: 1973.

Q In January-February, 1973, did you intend to live up to your legal commitments to Peabody?

A I think I have --

Q The question I asked before was also relating to 1972.

I withdraw that.

I am now saying with regard to 1973, January, did you intend to live up to your legal commitments to Peabody?

A Yes.

Q You did intend to do so?

A Yes.

Q Did you communicate that particular fact to Peabody?

A Yes.

Q And how did you communicate that fact to Peabody, sir?

A I believe it was conveyed to him in an August letter.

Q You conveyed it to him, sir, in January, 1973, that you decided or you had the intent to live up to your commitment in August of what year?

A 1972.

1
2 Q So in August of 1972, sir, it is your testimony
3 that you said to Walt Peabody, "Yes, in January I intend to" --

4 THE COURT: No. No, let's go on to something
5 a little less metaphysical.

6 Q To your knowledge, sir, did Brunswick in fact
7 live up to the commitment to Walter Peabody in January,
8 February and March of 1973?

9 A To the extent of my knowledge, they did.

10 Q Did Walter Peabody sue Brunswick, if you know,
11 sir?

12 A I don't know.

13 Q You don't know?

14 A I know there was --

15 THE COURT: He is telling you legally, and the
16 correct answer, I assume, is that his knowledge is hearsay
17 and if you need him to prove that you are in trouble.

18 Let us proceed, please.

19 Q On November 27 did you write a letter to Walter
20 Peabody Advertising?

21 A Yes.

22 Q I show you Plaintiff's Exhibit 16 in evidence
23 and ask you if that is a copy of the letter that you had
24 written to Walter Peabody?

25 A Yes, it is.

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Kratzenberg-direct

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Q Did you in this letter state to Walter Peabody, "Accordingly, as requested in your letter of July 25, 1972, we are hereby giving you notice of the termination of all commitments to use score sheets supplied by you after March 1, 1973."

Did you say that, sir, in your letter?

A Yes.

MR. BRASHICH: No further questions.

MR. NEWMAN: If your Honor please, I would like to reserve my questioning of Mr. Kratzenberg for the time I call him on direct, except for one question.

THE COURT: You may do that.

CROSS EXAMINATION

BY MR. NEWMAN:

Q Mr. Kratzenberg, what was your purpose in writing Plaintiff's Exhibit 16, the letter dated November 27, to Peabody?

A The purpose was to try to draw out of Mr. Peabody the exact termination of the advertising contracts they had throughout the various bowling centers.

REDIRECT EXAMINATION

BY MR. BRASHICH:

Q You were trying to draw out from Mr. Peabody the various termination dates of the Peabody services in

1 your various centers; is that what you said, sir?

2 A Something close to that.

3 Q I show you Plaintiff's Exhibit 16 in evidence
4 and ask you if you can show me, the Court and the jury
5 anywhere where you used language where you are trying to
6 elicit the termination dates of Walter Peabody Service in
7 the various bowling centers. Please read it, sir.

8 A I'm sorry. It is not spelled out in this
9 letter in that fashion.

10 Q So it is not there?

11 A That is right.

12 MR. BRASHICH: No further questions.

13 RECROSS EXAMINATION

14 BY MR. NEWMAN:

15 Q Did Mr. Peabody reply to your letter of
16 November 27?

17 A Yes, he did.

18 Q In reply did he state to you that he had various
19 termination dates?

20 A Yes, he did.

21 Q I show you a letter dated November 30, 1972,
22 and ask you if this is the letter that you received from
23 Peabody?

24 A Yes, it is.

1
2 MR. NEWMAN: I would like to offer it as
3 Defendant's Exhibit Q.

4 MR. BRASHICH: No objections, your Honor.

5 (Defendant's Exhibit Q received in
6 evidence.)

7 MR. NEWMAN: May I read from Exhibit Q, your
8 Honor, or may I read the entire exhibit?

9 THE COURT: Yes.

10 (Mr. Newman read from Defendant's Exhibit Q.)

11 Q Incidentally, Mr. Kratzenberg, what was the
12 date of the last inventory that you had?

13 A The one that I can recall is November, 1971.

14 MR. NEWMAN: I have no further questions at this
15 time.

16 REDIRECT EXAMINATION

17 BY MR. BRASHICH:

18 Q This letter, Defendant's Exhibit Q, is dated
19 November 30, is it not? There is no date stamp on it.
20 Do you recall when you received it, sir?

21 A I recall receiving it somewhere in early December.

22 Q What was the next written communication that
23 you received from Walter Peabody as to this particular
24 letter?

25 A I can't recall receiving any.

Q Did you ever reply to this letter?

A No, I did not.

MR. BRASHICH: No further questions.

MR. NEWMAN: Thank you for the present, Mr.
Kratzenberg.

THE COURT: Mr. Kratzenberg, when you wrote that
letter to Peabody on November 27, 1972, stating you were
terminating Peabody's score sheets as of March 1, 1973,
am I correct that you gave a copy of that to Mr. Kock?

THE WITNESS: He read that letter in our
office.

THE COURT: You showed it to him?

THE WITNESS: Showed it to him and discussed it.

THE COURT: Did you tell him that the purpose of
it was to draw the termination from Peabody?

THE WITNESS: Yes.

THE COURT: Did you tell him that when you gave
him that letter?

THE WITNESS: Yes.

THE COURT: You are positive?

THE WITNESS: Sure.

THE COURT: Anything else, gentlemen?

MR. BRASHICH: Not from Mr. Kratzenberg, your
Honor.

THE COURT: All right, thank you for the present.

(Witness excused.)

THE COURT: Go ahead, Mr. Brashich.

MR. BRASHICH: I would like to recall at the present time, with the Court's leave, Mr. Kock, in view of the testimony just elicited by the Court.

MR. NEWMAN: I have no objection. It was your idea to call Mr. Kratzenberg, not mine.

MR. BRASHICH: Thank you, sir.

Mr. Kock.

W I N S T O N E. K O C K, JR., recalled as a witness in his own behalf, having been previously sworn, testified further as follows:

DIRECT EXAMINATION

BY MR. BRASHICH:

Q Mr. Kock, during your November 27, 1972, meeting with Mr. Kratzenberg, did he ever tell you that the purpose of writing the letter to Mr. Peabody was to elicit or get termination dates for the various centers?

A No, he did not.

Q What did he say to you with regard to the November 27 letter to Mr. Peabody that he showed you?

A He was sending this letter to Mr. Peabody to

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Kock-direct

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cancel Mr. Peabody.

MR. BRASHICH: No further questions.

CROSS EXAMINATION

BY MR. NEWMAN:

Q Didn't Mr. Kratzenberg ask you to call him in a week or so following the mailing of the letter to Peabody?

A Yes, he did.

MR. NEWMAN: I have no other questions.

THE COURT: All right, thank you, Mr. Kock.

(Witness excused.)

MR. BRASHICH: Plaintiff rests, your Honor.

THE COURT: We will give the jury about ten minutes.

(The jury left the courtroom.)

THE COURT: Before I hear motions, let me say that a conflict like the one that appeared in the last five minutes in the testimony in my courtroom is always a source or concern to me. I may refer the page or two of Mr. Kratzenberg's and Mr. Kock's testimony to the United States Attorney for the consideration of perjury prosecution. If the witnesses who testified, Mr. Kratzenberg and Mr. Kock, wish in the next few minutes to reconsider their testimony in that light, they are invited to do so, and they are to let me know. Otherwise, with a conflict that vivid,

1 based on my own hearing of this testimony and my own
2 views about credibility, I think the subject is one that
3 may warrant further investigation for criminal purposes.
4

5 Do you have motions, Mr. Newman?

6 MR. NEWMAN: Yes, your Honor, I do.

7 Your Honor, I have two motions. The first
8 motion is to strike so much of the testimony as relates to
9 the expenditures made by Mr. Kock both to the printer and
10 all of the other expenditures. The basis of my motion is
11 the failure to establish the reasonable value of these
12 expenditures. Mr. Kock tells us he spent some \$54,000
13 for printing. That is a substantial sum of money, but
14 there is no one, even though we have a printer on the stand,
15 who has testified that this was the reasonable value of
16 this particular work, labor and services. Before any
17 defendant could possibly be held liable for the payment of
18 such sum, that sum would have to be something that would be
19 reasonably expended. It could not be anything that Mr.
20 Kock should in his own desire wish to pay to a third party.
21 If there is a measure of damages where Mr. Kock is to
22 recover expenditures, those expenditures have to be such
23 that are correct and proper, correct and proper for the
24 nature of what he wished to accomplish.

25 We do not have literally a scintilla of

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evidence with respect to the reasonable value of the services and the furnishing of these goods, even though there was an opportunity to have that reasonable value set forth, an opportunity, because the printer was here. None was offered to your Honor.

The same motion applies to all of the other items, the miscellaneous entertainment items, the miscellaneous expenditure of legal fees, the expenditures for the multitude of other legal items, the special stationery and supplies, the multitude of other small items that Mr. Kock seeks as a measure of his damages. Under those circumstances I move to strike those exhibits that relate to expenditures made by Mr. Kock, specifically the printing invoices, the printing estimates and the testimony that relate to the cost of printing and Mr. Kock's testimony and documents which were submitted to the Court in support of his own expenditures including printing.

THE COURT: I think there is ample evidence from which a jury could be permitted to find in the setting that the expenditures are reasonable or it might find it is not reasonable, but I will leave that to the jury.
Motion denied.

MR. NEWMAN: I also move to dismiss the plaintiff's complaint on the ground that he has failed to

1 set forth a prima facie case. I think we have a contract
2 which is based upon documentation. The documents consist
3 of the November 27, 1972, letter signed by Brunswick and
4 the October 12, 1972, letter appended thereto. I don't
5 think there is any disagreement but that these two form
6 the contract.
7

8 Now, the November 27 letter says that Brunswick
9 will utilize the score sheets furnished by Mr. Kock, but will
10 do so subject to certain specific conditions; that it will
11 live up to the legal obligations that are required of it
12 under the arrangement with Peabody.

13 The plaintiff says, no, this is not the contract
14 at all. The plaintiff says you have to use all these score
15 sheets on March 1. If you fail to use them simultaneously
16 throughout the United States, then you have breached your
17 agreement with me.

18 The documents on their face and without any
19 dispute say that our obligation is subject to a contingency
20 and that evidence that has now been established before your
21 Honor shows that that contingency was that they could not
22 all have been used simultaneously throughout the United
23 States on March 1, 1973.

24 Accordingly, your Honor, I believe the plaintiff
25 has failed to make a case and that his complaint must be

1 dismissed as a matter of law.

2
3 THE COURT: That is denied.

4 MR. NEWMAN: I also move to dismiss the complaint
5 on the grounds that the plaintiff failed to establish his
6 ability to perform the balance of the contract. He delivered
7 half of the plastic score sheets that were required to be
8 delivered by him. He has not shown that he had the
9 slightest ability to perform the balance of the contract
10 and deliver another half which initially cost him a sub-
11 stantial sum of money. Mr. Kock has told us that he did
12 not have the financial ability at all, that he did not have
13 the money to proceed to furnish the balance of the score
14 sheets.

15 As I point out to your Honor in our trial memoran-
16 dum, while the actual furnishing of the score sheets may be
17 excused if it is shown that Brunswick breached the contract,
18 nevertheless it is still the plaintiff's obligation to show
19 that he had the ability to perform that contract, and his
20 own testimony has shown his capacity to be in the negative.
21 He has established that he did not have the ability to
22 perform the contract. As a matter of fact, he has establish-
23 ed that he could not have done so under those circumstances.

24 Again I submit to your Honor that the complaint
25 must be dismissed.

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THE COURT: That is denied.

Let's take five minutes and we will proceed
with your evidence, Mr. Newman.

(Recess.)

(Jury present.)

THE COURT: As you know, the plaintiff has
rested and now the defendant will produce such evidence as
it wishes. All right, Mr. Newman.

MR. NEWMAN: Mr. Kratzenberg.

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1 THE COURT: It seems to me if there is a motion
2 now I have to dismiss your counterclaims. Is that right?
3 I don't remember any suggestion of any measure of
4 damages in your evidence.
5

6 MR. NEWMAN: I put in no measure of damages
7 with respect to the counterclaim.
8

9 THE COURT: So you can't recover on your counter-
10 claim.
11

12 MR. NEWMAN: Your Honor has previously ruled
13 that evidence which was placed into evidence, placed in
14 by the plaintiff, which was required to be stated was
15 sufficient. I disagree with that ruling but that is
16 the ruling that your Honor made. And we do have evidence
17 of printing costs. We are asking for replacement costs for
18 3,000 plastics and 2.1 million papers. The printing
19 costs are here in evidence. I think in that sense we do
20 have some evidence.
21

22 I will agree, your Honor, I did not put in the
23 evidence but it was put in by the plaintiff.
24

25 THE COURT: I don't think it is valid for
the defendant at all. Did you replace them? You haven't
even proved that.

MR. NEWMAN: May I say this, your Honor: The
reason we have not asked for damages at this point is

because we don't think Mr. Kock is in any way financially responsible.

THE COURT: I don't care what your reason is. You did not ask for damages, you did not prove replacement, no proof of damages, certainly none that you have sustained. The counterclaims are dismissed.

You have a rebuttal?

MR. BRASHICH: No. Plaintiff will rest also.

THE COURT: I will rule on your requests and have you sum up at 2:15.

How long do you need for summation, Mr. Newman?

MR. NEWMAN: I suppose half, three-quarters of an hour.

THE COURT: What I do with counsel, since neither of you worked with me before, is give you reasonable latitude but I ask you in the interests of your adversary to stick to your outside estimate. So is 45 minutes a good outside estimate?

MR. NEWMAN: Your Honor, I did not think the trial would end at this point. As the old saying goes, if I had time to prepare it would have been shorter. I didn't have time.

THE COURT: I will give you each the maximum of an hour, which I think is too much.

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MR. BRASHICH: I won't go beyond 20 minutes.

MR. NEWMAN: I will be quite short.

THE COURT: I trust it will be.

Let me excuse the jury.

2:15, will that give you enough to prepare your summations?

MR. NEWMAN: Could you make it 2:30? That will give us time to grab a bite.

THE COURT: I will give you that time but I want you to cut that hour as a result of this time.

MR. NEWMAN: It won't take an hour.

(In open court.)

THE COURT: Members of the jury, both sides have rested so you have heard all the evidence. That means the things that remain are as follows: Counsel this afternoon will sum up; that is, they will argue their respective views of what you should find from this evidence, and then tomorrow morning I will read you your instructions which I trust won't be very lengthy but they will be the rules of law that govern this case that you will apply to the facts as you find them, and then you will retire and with those facts and that law before you you will undertake to reach a verdict.

So that is the schedule. In order to allow

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2 counsel at least a modicum of time to draw their thoughts
3 together and repair their summations, we are going to
4 suspend a little bit early now for lunch and come back
5 a little late but it is a nice day and I am sure you will
6 be able to use the time.

7 Let us plan to reconvene promptly at 2:30.

8 JUROR NO. 2: Will we be able to proceed to
9 making a decision? The evidence, will we be able to
10 compare in making our decisions?

11 THE COURT: Of course. That is what you are
12 supposed to do. You will have everything before you
13 and I will tell you about it in the instructions.

14 As far as those plastic sheets are concerned
15 that you are passing around among you, I think they
16 have little or no significance at this point. They related
17 to some counterclaims which I have just --

18 MR. NEWMAN: Your Honor, they also related to
19 the affirmative defense if I may say.

20 THE COURT: I don't think there is any merit
21 to that either.

22 I am dismissing it now, I am striking it.

23 I have dismissed the counterclaims, after
24 only mild disagreement from Mr. Newman or perhaps strenuous
25 opposition.--

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1 rdh74
2 MR. NEWMAN: May I give the reason why I didn't
3 pursue it?

4 THE COURT: You may assume Mr. Newman has
5 a 50-50 chance that he is right but I see where I am
6 and he is where he is, as he and I both agree all of us
7 are bound by the law. Whoever has the black dress
8 at any given time is in charge.

9 MR. NEWMAN: I have never demurred from that
10 at any time.

11 THE COURT: That's absolutely true. I think all
12 of you are aware we have had an orderly and civil trial.

13 Please come back at 2:30 for summations.

14 (Jury excused)

15 THE COURT: May I inquire as to the ground of
16 the dismissal of the affirmative defense relating to the
17 plastic score sheets?

18 The ground very simply is this: That on the
19 evidence as it has been placed before me I would not permit
20 a jury to find otherwise than that the plaintiff at all
21 times acknowledged the inadequacy of the plastic score
22 sheets and was at all times ready, willing and able to
23 replace them but for the alleged breach of this contract
24 by the defendant. Therefore, I would rule that if the
25 plaintiff fails on his cause, the question of the adequacy

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or inadequacy of the plastic score sheets is immaterial. And if he succeeds, that an affirmative defense is precluded because it was the defendant's breach which prevented perfectly adequate performance and beginning in March of 1973 through the replacement of those score sheets with score sheets that on this record I must find would surely have been adequate. So I think either way the affirmative defense falls out of the case and I don't want the jury diverted by messing around with this plastic is thick or tinner when nobody really disagrees that the plaintiff's sheets were no good but then, although Lasky was perfectly ready to replace them for nothing, he had no occasion on his view to replace them.

MR. NEWMAN: Nor did Lasky indicate he had the capacity to replace them. He knew nothing about the business.

THE COURT: I find the evidence is overwhelming on that subject, and as to knowing something about the business I am not persuaded that was such a tough job.

In any event you asked for an indication of the court's reasoning and that is an indication.

MR. NEWMAN: I appreciate your Honor honoring my request.

THE COURT: I didn't know we were going to stop so suddenly but let me try to adapt and it may take a little

1 longer than usual to rule on your requests but I think
2 you are right that I do before you go prepare your
3 summations. So let's go through them quickly.
4

5 Mr. Brashich, I assume that your amended
6 requests to charge replace the originals?

7 MR. BRASHICH: Yes.

8 THE COURT: Let's just go through the amended
9 requests.

10 Number 1, in the form of its submission is
11 denied. I am not going to tell the jury that they
12 must find for plaintiff if they find these things, but
13 I am going to tell them that the plaintiff relies on
14 these materials for his view that there was an agreement
15 to start exclusively everywhere in March of 1973, and
16 I am going to tell them in effect that it is the plaintiff's
17 burden to prove that by a preponderance of the evidence.

18 Request number 2 I will grant in substance. I
19 think that will be in the charge.

20 By the way, I am going to tell the jury that
21 there is no dispute that there is some kind of agreement
22 here. Very simply the question is what was the agreement?
23 Was it an agreement to begin in March or an agreement
24 to phase in, phase out. I am not going to summarize the
25 evidence tomorrow morning because you will have summed up

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2 this afternoon. If I touch on the evidence it will simply
3 be to try to formulate the issues a little more clearly.

4 Request number 3 is denied and request number 4
5 I guess is granted in substance but it is only another way
6 of saying that if they agree with the plaintiff, they agree
7 with the plaintiff. So I don't think I will give those
8 words as they are put.

9 Request number 5 I believe is now out of the
10 case by the ruling, for better or worse, that the count
11 claiming the affirmative defense should be dismissed.

12 I guess the same applies to number 6, Mr. Brashich.
13 Do you agree?

14 MR. BRASHICH: Yes, your Honor.

15 THE COURT: And number 7 relates also to the
16 counterclaim which I have dismissed, so I don't think we
17 need to worry about it.

18 MR. BRASHICH: Your Honor, in light of 5, 6 and 7
19 could we have an instruction that the nonsequential numbers
20 and the defects in plastic sheets should not be considered
21 by the jury, an affirmative statement to that effect to
22 the jury in your charge, since we are throwing this out
23 in view of your ruling in dismissing the affirmative
24 defense and the counterclaim.

25 MR. NEWMAN: Would your Honor also dismiss the

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affirmative defense by not mentioning the consequential exhibit?

THE COURT: I find there is no basis on which the jury could give sequential numbers from box to box and pad to pad from that phrase I heard on consecutive numbers.

I will hear you on why you think you have proved such an allegation.

MR. NEWMAN: It follows from the concept of consecutive number. It seems silly where you need consecutive numbering it stops at a given pad. What is correct in consecutive numbering is that there be a continuation of the numbering from beginning to the end, not that it stops at the end of a pad.

THE COURT: Then you tell him to make delivery for one center for a group of centers and you have no evidence that anybody at this central center broke open the boxes and said, look, we must deliver to Cherry Lanes sequential numbers and then to Woodhaven separate sequential numbers. There is not a line of evidence that anybody in your place paid the slightest attention to that when they ordered him in effect to drop ship.

MR. NEWMAN: But the evidence is that the cartons themselves as delivered to the drop shipments contained

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1 pads which were not in sequential order and that the
2 cartons as delivered in the centers also contained cartons
3 which were in nonsequential order. There is an exhibit in
4 evidence to that effect.
5

6 THE COURT: But there is no evidence that
7 anybody was told to break this down in such a way. I
8 think the evidence is so thin on that that for the jury
9 to find an obligation of that nature would be a misguided
10 determination that I would have to set aside specifically
11 if it were a special verdict. And treating it as if it
12 were, because that is the issue Mr. Brashich puts to me
13 by his motion, I will tell them to disregard that evidence.
14

15 MR. NEWMAN: I respectfully except, your Honor.

16 THE COURT: Now, we were up to 8. I will deny 8.
17 I don't have to tell them what is not applicable. I just
18 won't make it applicable.

19 9, I will grant 9 in substance but I will not
20 include loss of reputation and loss of opportunity. I think
21 it is too speculative. But I will allow them to assign
22 a value, if they find there is one by a preponderance of
23 the evidence, to his time. I think it is reasonable to
24 refer them to his prior salary as one possible base line,
25 so we will give that.

 MR. NEWMAN: Your Honor, is it your intent to

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2 instruct the jury that the agreement commenced August 10,
3 1972, and terminated May 2nd -- that the agreement commenced
4 August 10, 1972? I am reading from that instruction.

5 THE COURT: Well, it is a dangling modifier.
6 I assume he means costs and disbursements made commencing
7 August 10th rather than an agreement made commencing
8 August 10th. But I will probably reword it in some even
9 worse fashion anyhow. All I am saying is I am granting
10 this in substance. The answer to your question is no,
11 I am not going to tell them he had an agreement that
12 began August 10th. But I will refer them to the list of
13 expenditures he claims and I am going to ask Mr. Swansiger
14 to pass out pencils and pads to the jury. They can take
15 notes on this stuff and they can take that into account.

16 Now, number 10 is denied.

17 I take it you have not agreed together on the
18 handing of the 40 or so thousands that Mr. Kock got from
19 advertisers and has not returned; is that right?

20 MR. BRASHICH: No, your Honor. We owe to the
21 advertisers. That is why I had given in 11 an alternative
22 method.

23 THE COURT: You say you owe. Are you prepared
24 to make a statement in open court right now that if you
25 recover a verdict you are bound to send back to each and

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every one of those advertisers the money you got from them?

MR. KOCK: Yes.

THE COURT: Is that your position?

MR. BRASHICH: Yes, your Honor.

THE COURT: Will you communicate that position to those advertisers?

MR. BRASHICH: I will, your Honor.

MR. NEWMAN: I believe this would be a gratuitous gift or gift to the advertisers. You have had no one asking for the money back. The advertisers are people who check --

THE COURT: I understand that. I invited you to enter into an indemnity agreement and you didn't do that. I drafted it for you. I said make it a conditional indemnity agreement. Now I am not going to send a plaintiff out of here with a verdict from which the jury deducts \$40,000 and have those advertisers tomorrow say now that you got the money, we want our money back. The same kind of thinking that you expressed here at the bench about why you are not pursuing Mr. Kock for money may have affected other people who figure they can't get it anyhow. But I would much prefer to leave this in a position that is fair and equitable to both of you. If you had entered into

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2 indemnification arrangement, it is not for me to volunteer
3 justice to people that are not before me and I wouldn't
4 compel Mr. Brashich or Mr. Kock to go report instantly
5 to Carter Wallace that he has gotten all this money.

6 What he ought in morals and conscience to do is
7 another question but it is not before me. So here is my
8 situation: He may recover a verdict from which the jury
9 has deducted \$40,000 because he has the money and he hasn't
10 paid it back. Next week he may have to pay it all back.
11 It looks to me as though he will have to pay it back
12 if anybody sues him for it. I am not going to leave him in
13 that position.

14 On the other hand you say quite rightly why
15 should I volunteer Brunswick's money to Carter Wallace,
16 et cetera, when those people, named et cetera or Carter
17 Wallace haven't asked for it, and you have a point. But
18 the court lives in finite periods of time and I have to
19 get this case resolved when the jury comes in tomorrow.
20 The best resolution I can make in light of your unwillingness
21 to offer a conditional indemnity, is to tell Mr. Kock if
22 he represents to this jury and to me that he acknowledges
23 an obligation to pay that money back, I think as a matter
24 of law he is right and does have an obligation to pay it
25 back, he has not performed; therefore, he ought not to be

rdh83

mulcted by this jury in this case against you.

Nobody has explained to me why you were not able to make what seems to me a perfectly sensible conditional agreement to indemnify. Nobody has even explained to me why it is not perfectly sensible.

MR. NEWMAN: Your Honor, I think the net effect of an agreement to indemnify would really be equivalent to the ruling that your Honor has made; that is, that we shall not let Mr. Kock be entitled to a credit. I think there is going to follow, just as day follows night, from the indemnity or obligation to pay.

We also believe that Mr. Kock has really failed to show that his advertisers didn't get what they were bargaining for because they received a long exposure.

To give them a gift of this nature where there has been no proof made that they were damaged appeared to us to be incorrect. It is for the same reason that we object to your Honor's finding.

THE COURT: If you indemnify him he has no right to hand that money over to people. If you want to take over defense of their claims, he will let you. If you don't think they have valid claims, resist them.

MR. NEWMAN: That was the point of contention in our discussion. He didn't want to give us the right to

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rdh84

resist.

THE COURT: Why didn't you tell me. Of course they have the right to resist. I don't understand that.

MR. BRASHICH: The only position we made is as a result of this Mr. Kock has had to leave the advertising business.

THE COURT: I don't care about emotional and sentimental things. I am going farther than perhaps I should. I am interested in legal things. If Brunswick is going to be on the hook for \$40,000 potential liability, Brunswick certainly has a right, because it knows what it did with those score sheets and whether Carter Wallace's name appeared in Woodhaven Lanes 40,000 times, it certainly has a right to resist those claims. You can't run around and give away its money and I don't understand why you have resisted that. Your resistance casts a wholly new light on this problem as far as I am concerned.

MR. BRASHICH: I had suggested to Mr. Newman that with the arrangement of the indemnity if there could be a working out with the advertisers of their claims without litigation, in which Mr. Kock would have to be a witness, which would again more damage his ability to get back into the advertising business.

THE COURT: I don't want to go any further into

1 rdh85

2 that which you suggested. It now strikes me that Brunswick's
3 position is reasonable enough.

4 THE COURT: I don't know what to do with
5 number 10 but I have told you a lot of thinking about
6 it and perhaps more than you wanted to hear and it is in
7 your hands, gentlemen. I will follow whatever lead I get
8 from what you report to me at 2:20.

9 How you can claim alternative A beats me
10 absolutely. You want the money you spent for Lasky, et
11 cetera, plus the \$40,000 you have and you are going to
12 give back. Well, you can't have it.

13 Mr. Kock, I wish you would contain yourself.
14 I don't want you to gestulate or react to my rulings.
15 You complain to Mr. Brashich and the Bar Association but
16 I don't care for that business.

17 B, I think I will probably grant in substance
18 but this is all affected by what you do with that forty-odd
19 thousand dollars. I will know better how to handle the
20 question of damages--

21 MR. NEWMAN: Your Honor please, I was going
22 to remark the 5,000 has to do with expenditures since August.
23 It seems to me that is contingent on a finding that the
24 contract was made in August, not in November.

25 THE COURT: I have not written an opinion on

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rdh36

1 the subject and I am not going to, perhaps at your
2 instance the circuit will, but my delvings into the New
3 York law of contracts indicate to me that the sums expended
4 in reasonable reliance on and imminent expectation of the
5 conclusion of this contract, in the circumstances of this
6 case, including pressure from Brunswick to get ready and
7 begin performing, my conclusion is that these sums are
8 recoverable even though their expenditure might be deemed
9 to anticipate the day of the formal making of the contract.
10

11 Now, I don't think I have stated that as
12 artistically as I would have liked to or as I would write
13 it out some day, but I leave it to Mr. Brashich to defend
14 it, if he can. That is the general theory on which I am
15 allowing these items.

16 I don't see any utility for either side, but
17 if anybody thinks there is utility, tell me about it,
18 I don't see any utility in bothering the jury with an
19 account of this legal theory. I am just going to tell them
20 what they may consider as recoverable items of damages.

21 Now, giving you your exception on the law, Mr.
22 Newman, let me find out do you agree that there is no point
23 in going into the statement of the legal theory?

24 MR. NEWMAN: Having given me the exception on
25 the law there is nothing more I can say. Hovever, as to the

rdh87

amount, \$4,800 of this amount has not been paid to Lasky. That is for the admittedly defective score sheets. I don't see Mr. Kock has any obligation to pay that \$4,800 to Lasky on the stand admitted he did a bad job. I think it should be deducted from the sum.

THE COURT: Is that the approved cost of the plastic score sheets? I don't remember that it was attributable to the plastic.

MR. BRASHICH: The sum due and owing its cost will be for shipping.

MR. NEWMAN: There is an invoice for shipping.

THE COURT: How much is that?

MR. NEWMAN: I thought it was 4,800.

THE COURT: Tell me about it late today. I think you will not owe Lasky the price of the defective plastics if he didn't make them good and wasn't required to make them good. He even offered you. I think you ought to deduct it. Give me the amount and I will simply omit, if it comes out to the same thing, whatever is owed to the printer. But you can set me straight on that at the end of the day.

MR. NEWMAN: Yes, your Honor.

Let me go through the defendant's requests.

Number 1 is decided. I will let you argue that

1 rdh88

2 but I am not going to tell them in either. I am not going
3 to tell them when they must find for either side. I will
4 tell them what your argument and what the few rules of law
5 are.

6 MR. NEWMAN: If your Honor pleases, number 1
7 is the substance of the motion I made at the end of the
8 plaintiff's case, and I take similar exception to your
9 Honor's ruling on the denial of our request for an instruction.

10 THE COURT: All right. Let's assume you have
11 an exception to any portions that I deny.

12 MR. NEWMAN: Thank you.

13 THE COURT: As to number 2, I will grant in
14 substance the first five and a half lines, but deny the
15 portion that begins "But only if you find both," et cetera,
16 because I don't think there is any room in this record for
17 the jury to make any different finding.

18 MR. NEWMAN: That includes ability, your Honor,
19 if you believe the plaintiff has established ability to
20 perform.

21 THE COURT: Yes.

22 MR. NEWMAN: Is your Honor ruling he has no
23 need to establish ability or he has some?

24 THE COURT: The ability to perform is so
25 overwhelmingly established by this record that any other

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finding would have to be set aside. I don't want the jury to make any other finding.

Number 3, for reasons that we have talked about, is denied.

Number 4 is denied for the same reasons. Number 5 is denied.

Number 6 is granted in part. I think we have in effect indicated however I am granting it in the statement of what I am granting with respect to the plaintiff.

MR. NEWMAN: I agree, your Honor. You have stricken any damages for loss of reputation, loss of profits.

THE COURT: Yes.

Well, number 7 is denied. I don't think there could possibly be a valid six-cent verdict in this case, so I won't put that thought in the jury's mind.

Now, suppose we suspend until 2:20. I do hope you gentlemen can reach some fair accommodation on the troublesome, I agree it is troublesome, that is why it has troubled me, question of that money from the advertisers. But I really think that some kind of contingent arrangement, which, if plaintiff wins, makes Brunswick liable for repayments but leaves Brunswick free to protect its legal position that no repayments are due, would be the course, as nearly as I can see it, that ought to be followed. If

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1 rdh90

2 you are not going to follow that, I guess, since I don't
3 have any clear precedents to go on, and I must say counsel
4 have not supplied me with any and maybe there aren't any,
5 I would just have to undertake, if it is permissible in
6 a court of law, to do justice as closely as we can approxi-
7 mate it.

8 MR. NEWMAN: In connection with the indemnity
9 is it your Honor's concept that Mr. Kock cooperate in
10 the defense of any suit by giving testimony should he be
11 called upon to do so?

12 THE COURT: Of course he would have to
13 cooperate. Again, anything is subject to a rule of
14 reason and I should think lawyers could draft some language
15 that would refer to the rule of reason. He doesn't have to
16 get out of a death bed to give a deposition. He doesn't
17 have to be nasty to his former clients but he would have
18 to cooperate and give evidence, and so on, if it is called
19 for.

20 MR. NEWMAN: And if your Honor issues with
21 whatever documents he had and discuss this matter with us
22 other than cross the witness table?

23 THE COURT: I see a real problem here. I have no
24 confidence in my proposed solution. I just don't think
25 that I am permitted to ignore it. I don't know how many

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of these two million pieces of paper were actually seen by bowlers. I think it makes a difference to the amount, if any, that Carter Wallace and the others may be entitled to recover. I haven't enough evidence here to make an absolutely certain and confident ruling on that. But I repeat that I don't think it is permissible and therefore I would not have thought it is permissible for either of you to ignore. You haven't ignored it but I don't find either solution proposed to me quite acceptable. So see what you can work out.

See you at 2:20, gentlemen.

(Luncheon recess)

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AFTERNOON SESSION

2:20 P.M.

(In open court; jury not present.)

THE COURT: Where do we stand?

MR. BRASHICH: The plaintiff will agree to the concept of indemnification. The plaintiff will agree to it and would request that the defendant, in our particular view of things, would have the obligation and duty to defend; that that particular obligation and duty would expire at the end of the statute of limitations; that Mr. Kock will fully cooperate with the defendant and if he has to cooperate on his own time in the evenings, he will do so at no charge to the defendant. If he has to go and leave work, then he would request some form of compensation for the time and any travel expenses that he might have without the City of New York.

He will not divulge the outcome of this particular lawsuit, nor will he divulge the fact that there exists indemnification agreement with the defendant unless asked to do so under oath.

The last point, he will refrain from actively soliciting any lawsuits, and if asked he will only make a statement of fact and not a conclusion of law, whatever he has said and testified here which is a matter of public

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record.

MR. NEWMAN: Your Honor, please, in discussing the indemnity with Mr. Brashich and with Mr. Kock it became clear it would be impossible for Mr. Kock to live up the terms of this indemnity. Essentially Mr. Kock plans to go back in business, he said. He wants to deal with the same people and he is going to have to come to them, says he, and admit that he has done wrong by them.

Now, under those circumstances we are not talking about an indemnity --

THE COURT: Let me interrupt. It is perfectly clear to me, gentlemen, that I cannot make you agree to such an indemnity arrangement, and since you have not agreed we must handle the case in light of that failure to agree and cope with that factor as nearly as I understand it in accordance with law.

So let me be told now how much is involved, what is the total that he received?

MR. BRASHICH: \$39,760.

THE COURT: \$37,760?

MR. BRASHICH: Yes.

THE COURT: Mr. Newman, you are agreed on that?

MR. NEWMAN: Yes..

THE COURT: Now, I believe that the proper thing

1 rdh94

2 to tell the jury is the following: First, they should
3 consider it and may consider in their computation of damages
4 the elements of expenditure and of asserted loss for the
5 investment of Mr. Kock's time which we reviewed together, you
6 and I, this morning in my rulings on the requests.

7 Having summarized those elements of things that
8 may permissibly be considered as possible damages, I
9 will then remind the jury that in the course of his efforts
10 which finally aborted, Mr. Kock did receive some \$39,760
11 from advertisers which he has not returned to any of them.

12 I will tell the jury that if they are persuaded
13 by a preponderance of the evidence that although he has
14 not returned these sums and they have not been demanded
15 of them, he will in the future probably be required to
16 return them, then they should ignore this amount in their
17 computation of damages. But to the extent that they believe
18 that he will not be required to return this amount it
19 should be deducted from any award that is made in his
20 favor since he should not recover it twice under his
21 contract or for its breach.

22 Now I think that is basically what I mean to tell
23 the jury. I will hear any exceptions from either side.

24 Mr. Brashich?

25 MR. BRASHICH: No exceptions, your Honor.

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1 THE COURT: Mr. Newman?

2
3 MR. NEWMAN: I have one exception in that I
4 believe the sole evidence is that there have been no demands
5 and therefore after this period of time it is conclusive
6 that there was no obligation on the part of Mr. Kock.
7 Other than that I have no exceptions.

8 THE COURT: All right.

9 I think we have about --

10 MR. BRASHICH: We have one more minute, your Honor.
11 I believe there was discussion as to the actual sum which
12 we had arrived at, Mr. Newman and I. We had arrived at
13 a sum of \$62,264.78. The sole issue which was just brought
14 up prior to lunch was --

15 THE COURT: What is it?

16 MR. BRASHICH: \$62,264.78, which includes the
17 cost for the score sheets. If you will recall, your Honor,
18 Mr. Bersch testified that all that was needed was a bonding,
19 all that was required was a bonding to be placed on the
20 back of these particular score sheets to make them acceptable
21 so they would not return.

22 The sum which is due and outstanding at this
23 present time is five thousand some-odd dollars, and there
24 is an invoice in the evidence, which results in shipping
25 charges. That is the only thing which remains outstanding.

rdh96

1 He was willing to make good the ones that were
2
3 destroyed up to that particular time and then recoated the
4 surface on the back.

5 There was some discussion before lunch, your Honor,
6 that there be deducted from the sum I just gave you, the
7 sum of \$4,800 which was the invoice sum paid by Mr. Kock.
8 I submit that if these particular sheets could have been
9 made acceptable by a simple coating, that the sum of
10 \$4,800 is a proper amount for damages, and Mr. Bersch testi-
11 fied that he would have coated them, the remaining ones,
12 and therefore made them acceptable and the few that were
13 already destroyed back in April, he would have replaced.

14 THE COURT: I didn't understand anything you
15 said really. Is \$4,800 a proper deduction or isn't it?

16 MR. BRASHICH: No, it isn't, sir.

17 THE COURT: What is?

18 MR. BRASHICH: The sum for perhaps 200 or 300--

19 THE COURT: Where do I find that in the record?

20 MR. BRASHICH: It is not in the record.

21 THE COURT: What are we going to do, sit here and
22 speculate what rebonding costs? It is for you to prove your
23 damages. You delivered, admittedly unsatisfactory plastic
24 score sheets. There was a price for them. That is all the
25 record shows. The defendant does not have to take

rdh97

unsatisfactory score sheets and you don't have to pay for unsatisfactory score sheets. Therefore, whatever it is you owe for whatever to Mr. Lasky, you can deduct the price of the score sheets, it seems to me on this record, plastic score sheets, and that's what we ought to do.

Frankly, gentlemen, I would, reserving to both of you any exceptions you have to details of the proposed charge, I would think it is much simpler and orderly for the jury to wind up with an agreed figure rather than have all these additions and subtractions for the various things.

Now, he owes five thousand something and the plastic score sheets cost 4,800; is that what you say?

MR. BRASHICH: Yes.

THE COURT: I would like to get the net of that and add it on to this 62,264,78 --

MR. NEWMAN: It's already included. It would have to be deducted.

THE COURT: So you have agreed on the figure of 62?

MR. BRASHICH: Yes, your Honor.

THE COURT: Why don't I deduct 4,800 and see if our arithmetic comes out the same.

I get \$57,464.78 as the resulting total of his expenditures. And if I could get your agreement to that I would just include it in my instructions.

rdh98

MR. BRASHICH: \$57,464.27?

THE COURT: 78 cents.

MR. NEWMAN: The arithmetic I have done comes out the same way, your Honor.

THE COURT: Is it fair to both of you or unfair to one of you if I just say these expenditures you have heard about come to this total? Any of them that you find not proved or not reasonable you should eliminate. But to the extent that you find them proved and reasonable under the circumstances you may include them in your computation of damages. Is that agreeable to both sides?

MR. BRASHICH: That is agreeable to the plaintiff.

MR. NEWMAN: That is, your Honor.

THE COURT: That leaves to you full scope for whatever argument you want to make on them on that subject.

Are the jurors back?

THE CLERK: Yes, your Honor.

MR. NEWMAN: If your Honor please, there was one exhibit introduced by plaintiff, 73, which he undertook to mask in part. I observe it has not been masked.

THE COURT: Will you do that right now?

MR. BRASHICH: Yes.

THE COURT: Give me one minute and I will rejoin you and we will go on to summations.

* * *

rdh 1

WINSTON E. KOCK, JR.

v.

THE BRUNSWICK CORP.

October 11, 1974,
10:15 A.M.

--

(Jury not present)

THE COURT: Are we all ready?

MR. BRASHICH: Yes, your Honor.

MR. NEWMAN: Yes, your Honor.

(Jury present)

THE COURT: Good morning, ladies and gentlemen.

We have now reached the stage which is the critical stage in this case, the time when it will be given to you for your judgment. As we have all told you more than once during this week the point and the problem of a trial is the determination of disputes about facts and you are the sovereign judges of the facts.

I will remind you that when we use those words, though they sound very important, the sound is meant to reflect that they are important and that you are sovereign. The things that the lawyers may say, that I may say about our views of the facts, if you detect any, have no significance at this point. It is your views of the facts, the inferences to be drawn, the ultimate determinations to be

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rdh 2

made that will govern this case.

You will find the facts, I remind you, from evidence, and evidence is the testimony you have heard from the witness stand, the exhibits, which are numerous as they usually are in a case of this kind, and a couple of things that are stipulated. depositions will also be included among the materials from which you will make your determinations about where the truth lies insofar as there have been, and there have been, controversies as to what actually happened, what was actually said, what was actually understood at the times in question.

As this case comes before you for decision it is not disputed that there was an agreement of some kind between Mr. Kock, the plaintiff, and Brunswick, the defendant, for his supplying of plastic and paper score sheets to be used in the Brunswick Bowling Centers.

The deal basically was that Mr. Kock would supply those score sheets, that they would be used by Brunswick, by Brunswick bowlers; that Brunswick would incur no expense for them; that Mr. Kock would obtain and supply them and earn his profit from the receipts he got from advertisers whose literature appear on those sheets. That much I think, subject always to your sovereign views about what, you think, that much I think may fairly be said to be

1 rdh 3

2 undisputed.

3 The dispute arises with respect to the question
4 when and how Mr. Kock's score sheets were to become the
5 materials of this nature to be used in those bowling
6 centers, and specifically the dispute is created by Mr.
7 Kock's contention that from and after March of 1973,
8 for at least a year, his score sheets were to be used
9 exclusively in all of the Brunswick Bowling Centers, or
10 to put it somewhat differently in terms of the problem,
11 that by March of 1973 it was understood and he was entitled
12 to understand that Peabody will be out and he would be
13 in as the supplier of those score sheets.

14 As against that, as you know, the defendant
15 contends that Peabody, having staggered dates of advertisement
16 and entry into the various bowling centers would have to
17 be phased out and that Mr. Kock would correspondingly have
18 to be phased in, and that this was understood by both sides
19 and that it was understood that the phasing in of Mr. Kock
20 would extend through 1973 and evidently into at least
21 a month or two of 1974.

22 The plaintiff claims that the breach consists
23 of the failure and refusal to have him serve exclusively
24 as the score sheets supplier in all the centers from and
25 after March of 1973.

1 rdh 4

2 The defendant, as I have said, replies that there
3 was no such agreement; that plaintiff knew or should have
4 known that Peabody would remain in a number of the centers
5 while being phased out on through 1973 and into 1974.

6 The plaintiff claims that this theory of phasing
7 out and phasing in after March of 1973 was an afterthought
8 and not part of the agreement or understanding and that it
9 resulted basically from the insistence of Peabody resulting
10 in Peabody's lawsuit and a settlement of that lawsuit
11 by Brunswick in which plaintiff says, and apparently it is
12 the case, he had no participation. Plaintiff has relied on
13 a number of things that I won't enumerate or repeat. They
14 include the apologies expressed by Brunswick personnel
15 after the settlement of that Peabody lawsuit.

16 The defendant, too, relies on a number of things,
17 citing conversations and memoranda that are said to
18 show the awareness by the plaintiff as well as defendant's
19 people of the ongoing rights of Peabody and Brunswick's
20 ongoing obligations corresponding to those rights.

21 Now, when I mention the claims and the responses
22 and when I mention some of the things that each side relies
23 upon, please have in mind that I do this only for purposes
24 of illustration and to try, as well as I can, to formulate
25 the issue for you with a reasonable measure of clarity; that

1 rdh5

2 is to say, I am not going to summarize the evidence, I
3 am not going to summarize the arguments and materials and
4 the claims on one side or the other. That was done for
5 you yesterday afternoon. And you may believe, because it is
6 correct, that I don't have any view whatever on how you
7 are to decide the issues thus placed before you.

8 So understand in short that these illustrative
9 things that I tell you about evidence on one side or the
10 other are simply that. They are illustrative things. If
11 I mention two things for one side and one thing from the
12 other side, don't draw any inferences because you will be
13 mistaken. The illustrations may not always balance out
14 as if they were done on jewelers' scales, but they are meant
15 simply to draw the issues for you and to leave to you the
16 problem of remembering all the evidence and lining up
17 all the evidence on both sides before you make your judgment
18 as to where the right and truth of this case are to be found.

19 Now, the plaintiff brings this lawsuit and presents
20 the claim for recovery. In our system, and in this respect
21 I guess our system resembles most legal systems though it
22 does not in other respects, the claimant undertakes, is
23 charged with the burden of proof, and you have heard that
24 expression, burden of proof, but let me say a few words
25 about its meaning in the setting of this civil lawsuit. When

1 rdh6

2 we say in such a civil case the party has the burden of
3 proof, we mean that he must, if he is to succeed, prove
4 his contentions by a fair preponderance of the evidence.
5 Now that phrase, a fair preponderance of the evidence,
6 simply refers to the greater weight of what the triers
7 of fact, you ladies and gentlemen of the jury here, find
8 to be the credible evidence in the case.

9 When we speak of weight, we don't mean bulk
10 or heft or anything physically, we mean the persuasive
11 impact of the evidence on the mind or minds of the triers
12 of fact. And the party with the burden of proof, in a few
13 words, must, if he is to succeed, prove that his versions
14 or version of the facts is more probable than the opposite
15 or contrary version taken by his opponent.

16 In assessing the question, then, whether the
17 plaintiff has sustained his burden of proof, your task
18 will be to weigh, in the sense that I have described, what
19 you find to be the credible and convincing evidence on both
20 sides. If after that you find that the scales, and it is
21 a figure of speech but I trust it is meaningful at this point,
22 if after you have weighed the evidence you find that the
23 scales tip in favor of the defendant or if you find that
24 they are evenly balanced in your minds so that you can't
25 make up your mind about a material issue of fact, then you

rdh7

must find that the plaintiff has not borne his burden of proof and you must find for the defendant.

On the other hand, when we talk about proof by a fair preponderance of the evidence, we don't mean proof beyond any doubt and we don't mean proof even beyond a reasonable doubt, which is the relevant expression in a criminal case, not a civil case, we mean simply that the plaintiff must show greater probability for his version, and so in that scale figure of speech if you find that the scale tips in the direction of the plaintiff, in favor of the plaintiff, however slightly, then you may find that he has, with respect to the particular issue, succeeded in sustaining his burden of proof.

Now, this is a contract case. It is governed by the law of contracts. I don't know how much it interests you, but it is actually governed by the New York law of contracts, New York State law. It is a case that gets into the federal court under a jurisdictional principle called diversity of citizenship. People of different states, if their cases are alleged to involve over a certain amount of money, may sue in the federal courts under the diversity of citizenship jurisdiction. Then the federal court sits in effect, sits as if it were a court of the state and apply state law. So I must in instructing you, follow the law of

1 rdh8

2 New York State and you, of course, apart from the fact
3 that you are all citizens of New York State, must follow
4 those rules of law as I give them to you. And I might
5 say that they are not very complicated and the rules them-
6 selves are not especially the subject of much dispute
7 between the parties or their counsel.

8 Very simply you should understand that under
9 the law of contracts, as it will apply in this case, a
10 contract may consist of written statements, oral statements,
11 nonverbal conduct that has the effect of communicating
12 understandings, or some combination of all three kinds of
13 things, written and oral statements and conduct. .

14 To put it otherwise, a contract does not have
15 to consist of a single document or a single conversation
16 or a single instance of behavior. And you know by this
17 time, having heard the arguments and having received
18 the evidence, that the plaintiff relies perhaps on all three
19 kinds of evidence, but essentially on written and oral
20 communications during the lattermost or latter half of 1972
21 and on into early 1973.

22 As it develops, though the emphasis of the parties
23 differs, you have also heard that the defendant refers to
24 and relies upon many of the same communications, written
25 and oral, probably as is common, stressing different parts,

1 rdh9

2 stressing different views as to meaning, and in some cases,
3 of course, especially where we deal with conversations,
4 stressing different versions of those conversations, and
5 at least a couple of instances your decision as to which
6 is the correct and credible version is likely to make
7 a significant difference in your judgment as to where
8 the truth lies and then ultimately your judgment as to who
9 should prevail in the lawsuit.

10 Now, again, just to jog your thoughts before
11 you go to the jury room and just for illustrative purposes,
12 let me remind you of some of the materials that have been
13 invoked after being placed in evidence by one or both
14 sides as supporting their views of what the agreement
15 should be understood to have been. The plaintiff, and I
16 have listed some of these and I repeat this may not be
17 and probably is not exhaustive or evenly balanced, but please
18 understand what it is for. The plaintiff among other things
19 has referred you to his telegram of August 10, 1972, which
20 he described, if I recall, as committing him to Brunswick, and
21 a letter a couple of days later, those being Exhibits 56
22 and 55 respectively. He has relied, among other things,,
23 among the writings, on his letter to Mr. Kratzenberg of
24 October 12th, which I have noted is Exhibit 13. He has
25 placed central reliance on the letter of November 27, 1972,

1 rdhl0

2 from the defendant to himself, which I think is Exhibit 16;
3 and to some extent a letter of the same date from the
4 defendant to Peabody, of which the plaintiff was shown a
5 copy, which I think is Exhibit 15. Then without extending
6 that enumeration, the plaintiff has relied, as you know,
7 on an array of other papers, writings, communications
8 which you will be considering along with all the evidence
9 in appraising the issues before you.

10 Now, as I have said, the defendant stresses
11 many of the very same documents and the same conversations.
12 I think the defendant has placed some emphasis on a hand-
13 written note the plaintiff wrote on June 9th, I think on
14 yellow sheets of paper which is in evidence as Exhibit 4.
15 The defendant has stressed from the defendant's own letter
16 to Carter Wallace referring to the 1973 bowling season
17 as the period of Mr. Kock's role as score sheet supplier,
18 and that I think is Exhibit 83. The defendant has placed
19 some special emphasis on that November 27th letter from
20 itself to Peabody, and now I am not sure which is Exhibit
21 16 and which is 15, but the two November 27th letters are
22 Exhibits 15 and 16 and I do not think it will impair the
23 course of justice, if as I now believe, I gave them to you
24 backwards. You will have them both and you can look at them.
25 The letter to Peabody being either 15 or 16, is the one that

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2 the plaintiff said it was a flat termination of Peabody
3 and the one that defendant, especially through the testimony
4 of Mr. Kratzenberg, says was designed to draw out Peabody
5 and thus elicit precise information as to the termination
6 dates.

7 Defendant has also relied, as you know, on various
8 communications to and from Peabody which are, of course,
9 an important source of the problem in this case, and finally
10 the defendant, I believe, has stressed the November 27th
11 letter from itself to the plaintiff as being essentially
12 the agreement, and the defendant has emphasized a reference
13 in that letter to Brunswick's obligations to Peabody which
14 Brunswick asserted would be fulfilled.

15 Those are illustrative things and they remind
16 you, and that's all I mean to do at this stage is remind
17 you of the key issue: What was the agreement or under-
18 standing? Was it an agreement that Kock would be exclusive
19 in all the Brunswick centers beginning in March, 1973, or
20 was it the kind of phasing in-phasing out agreement the
21 defendant has urged you to find?

22 Now, in deciding what kind of agreement it was
23 you to apply what legal people would call, not altogether
24 without good sense, an objective test. What do I mean by
25 that? I mean very simply that in deciding whether people have

rdhl2

contracts, and whether there was an agreement, there was a contract; then in deciding what the contract was, you use an objective test in the sense that one party's private beliefs or understandings or hopes or expectations, if they were not communicated to and agreed upon by the other party can't constitute part or the definition of agreement. We don't have that kind of subjective test for a contract, because a contract is a matter of mutual engagement, mutual promise normally, and mutual understanding. So in that sense you use an objective test. And, therefore, it will be your task in defining this agreement to reconstruct this evidence, examine the writings, examine what you find to have been the oral statements, and then decide whether these people in fact understood the contract to be what one side says rather than the other; or, in objective terms, whether as reasonable people exchanging such communications they should have understood that the contract meant one thing or another. You will not eventually be able to look into the heart or soul of anybody. You have to decide what they in fact understood objectively in a sense of what they should have understood and should have understand themselves to based on the communications they exchanged with each other. And it is in that sense that I say you will apply an objective test in determining

1 rdhl3

2 what the agreement was between these parties.

3 Now, if you find that the agreement was the
4 version the plaintiff has placed before you, then you may
5 find from the evidence of what happened that the defendant
6 breached this contract and is, for that reason, liable
7 to the plaintiff.

8 If, on the other hand, you find that the agreement
9 was as defendant has defined it for you, then you may find
10 that the defendant did not breach the contract and that
11 the plaintiff is not entitled to any recovery at all.

12 If you find that the defendant is liable,
13 then you have decided in plaintiff's favor the question of
14 liability, as we call it, you reach the question of damages.
15 You only reach the question of damages if you find liability.
16 But the damages, like most other things, is governed by
17 rules of law, and they are complicated and so I have to
18 give you those rules of law.

19 You will understand the fact I give them to you
20 doesn't mean that I am telling you you must or will find
21 the defendant liable. I am giving you these rules to apply
22 if and when you have determined that there is liability
23 and have thus reached a question of what amount of damages
24 you should award.

25 Now, on damages, as on the other elements of this

1 rdhl4

2 claim, the plaintiff has the burden of proof and he has
3 undertaken to sustain it. Damages, like the earlier subject,
4 is not terribly complicated but let me lay it out for you.
5 Basically subject to a possible alleged deduction that
6 I will talk about in a few minutes, the damages the plaintiff
7 may claim in this case consists of two elements: First,
8 if there was an alleged breach, thus his expected income
9 was to take a different form and have a different basis,
10 if there was a breach the plaintiff may now claim from
11 this defendant his out-of-pocket expenses for the period
12 from August 10, 1972, to May 2, 1973. The legal reasons
13 for that are not terribly interesting but we have discussed
14 them and it is efficient for your purpose to know that that's
15 the period under the law of the case, as I have determined
16 it, for which the plaintiff may claim out-of-pocket
17 expenses.

18 As the second element of what he may claim the plaintiff
19 is entitled to recover for the investment of his time,
20 his energy and his talents, devoted to this score sheet
21 enterprise during that same period of about ten months
22 or so, August 10, 1927, to May 2, 1973.

23 Now, as to the out-of-pocket expenses, the first
24 of those two elements, you will recall that the plaintiff
25 has made claim and offer of proof for a variety of items,

1 rdhl5

2 the largest of these is, of course, the claim for printing
3 costs, the amounts paid to the printer Lasky.

4 In addition the plaintiff has put in claims for
5 travel, entertainment, automobile, telephone and other
6 things. Before he may recover for these things the plaintiff
7 must prove that he did in fact incur these expenses and
8 that they were reasonable in all the circumstances. To the
9 extent that you find these things established, actual
10 expenditure and reasonableness, you may make an award
11 for these expenses.

12 Now, as to that further, counsel yesterday,
13 helpfully, agreed that the total of those various items,
14 the printer, the automobile, the telephone, et cetera,
15 may be taken by you to be the sum of \$57,464.78. I will
16 mention to you that that agreed sum of \$57,464.78 represents
17 the resolution of a problem that you can now bypass and
18 not worry about. Specifically, that there had been a charge
19 by Lasky of some 4,000 or so dollars for those plastic
20 score sheets. It was agreed by everybody that the plastic
21 score sheets were imperfect and defective and although
22 it appeared that Lasky would have replaced them, the
23 plaintiff wasn't required in the circumstances to take
24 the replacements and the defendant should not be required
25 to pay for them. So from the total that you would get if

rah16

you went through all those papers, according to the
able arithmetic of these able attorneys, there was deducted
some \$4,000 and that 57,000 plus figure that I gave you
is a net figure after that deduction.

Now, what does that mean? Very simply as to out-of-pocket expenses, if you find that the plaintiff has proved all the items he claimed, proved that he expended them and that they were reasonable, you may give him that agreed total of 57,464.78. Insofar as you find any of those items were not paid or were unreasonable, then to that extent you must deduct from that total when you are determining the amount of damages for out-of-pocket expenses.

I think that takes care of that.

By the way, the reference to those plastic score sheets leads me, incidentally, to mention something just to tell you to forget about it. As the case comes before you, as a result of rulings and discussions, the evidence about the condition of the plastic score sheets is no longer of any interest to you. The evidence about the problem of sequential numbering is also of no interest to you. So those things you may put to one side and disregard in determining what things you must worry about and what things are not important.

I told you in addition to the out-of-pocket

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2 expenses Mr. Kock claims, and is entitled to claim, as the
3 second amount of damages the amount for the energies, his
4 time and talents in an effort to prepare this contract,
5 always assuming there was a breach for which the defendant
6 was liable. In making that determination as to the amount
7 for time and talent, you are called upon to exercise
8 a seasoned and common sensical and reasonably sophisticated
9 judgment. You have seen the plaintiff, you have learned
10 something about him, his background, his abilities.
11 You must, you should, you will take those things into
12 account in appraising this second element of damages. You
13 have heard that at a point reasonably close to the time
14 that he went into his own enterprise he had been working
15 in the advertising business and that his salary had been
16 some \$22,000 a year. You may consider that as a factor
17 to take into account in estimating what you judge to be
18 the worth of his time and his creative efforts for this
19 score sheets enterprise. That number I give you, I repeat,
20 is only a factor. We all have a tendency to latch on to
21 numbers because they are solid and real and definitive.
22 I think you will not wish to follow it mechanically or
23 slavishly but to take it into account as one of the things
24 you will consider among all the circumstances in deciding
25 what award you should make, if you are making an award of

1 rdhl8

2 damages, for this element that I have called the second
3 element, the compensation for time and effort and so on.

4 Now, I told you I would speak to you about an
5 issue relating to a deduction or possible deduction from
6 the award of damages. Now, you will at this point, according
7 to the logic of these instructions, if you reach this point,
8 you will have added up the first two items of expenses
9 and time and effort and you will have some total presumably.
10 Then the question is whether you should deduct for this
11 item of arguable deduction that I am now going to tell you
12 about. You will remember under the evidence that about 18
13 months ago, in March of 1973, Mr. Kock received a total,
14 which again counsel have agreed upon, of \$39,760 from four
15 of the advertisers whose literature was to appear and did
16 appear on the score sheets he produced for use by Brunswick.

17 Now, you have learned that Mr. Kock has retained
18 this total of \$39,760; that he has not repaid any of it
19 and that none of the advertisers who paid these sums have
20 requested or demanded their return.

21 Now, here you must consider the evidence and
22 consider what you decide about it respecting the status
23 of these receipts in deciding whether some part or all
24 of that 39-odd thousand dollars must be deducted from
25 the damage award. On the one hand, you may find from the

1 rdhl9

2 evidence, and this, of course, is one of the things that
3 is for you to find one way or the other, that although the
4 score sheets did not go in exclusively and everywhere in
5 March of 1973, the score sheets were used by Brunswick,
6 that the advertisers' messages were exposed over these 18
7 months to the bowlers, and that they have had some or all
8 of the benefit for which they paid Mr. Kock.

9 In that event you may conclude that the ad-
10 vertisers have no right to get their money back and
11 Mr. Kock has no obligation to give it back to them.

12 On the other hand, you may find that the ad-
13 vertisers did not get what they paid for, did not get
14 the exposure in the time and in the way that they were
15 given to understand they would get it, and that the plaintiff
16 is under an obligation to repay part or all of that
17 39-odd thousand dollars.

18 Now, I remind you, of course, on this subject, as
19 on the other, the burden of proof is on the plaintiff. I
20 instruct you as follows: If you find that the plaintiff
21 has not repaid the money, and of course that is undisputed,
22 but if you further find that he is not obliged or expected
23 or required to pay it in the future, having kept it until
24 this time, then to the extent of any such finding you must
25 deduct that 39-odd thousand dollars or the part of it you

1 rdh20

2 believe is subject to your finding from the total award
3 of damages. Otherwise, as you will understand, Mr. Kock
4 would be getting compensated twice to make up for his
5 expenditures.

6 On the other hand, if you find from a pre-
7 ponderance of the evidence that the plaintiff did not deliver
8 to the advertisers what they were entitled to expect and
9 that he is under an obligation to make repayment, whether
10 or not it has been demanded thus far, then you should not
11 deduct for that total sum or for such part of it as you
12 find the plaintiff, Mr. Kock, is still obliged to make
13 repayment.

14 I hope that is all clear to you and I just
15 instruct you that you must use that question of possible
16 deduction in the way that I have undertaken to outline
17 for you.

18 Now, it is standard instructions to juries,
19 and we always follow habits and precedents in the courtroom,
20 to talk a little bit about credibility, and I will talk
21 to you a little about it now. You have listened to wit-
22 nesses, and you know, as I mentioned before as you knew
23 before I mentioned it, that there are conflicts in the
24 testimony that you have heard. Some of the conflicts
25 are important. Perhaps most notably some of the conflicts

1 rdh21

2 between Mr. Kock and Mr. Kratzenberg as to what went on
3 between them orally, verbally at certain times and places.
4 Such conflicts in testimony present questions of credibility
5 for your sovereign judgment as the triers of fact. Though
6 we talk in jury instructions about credibility, it is not
7 a technical legal subject. The premise of our system is that
8 lawyers and judges are not particularly better qualified
9 to decide credibility than anybody else, and so we bring
10 lay people like you, people who are laymen in the sense
11 that you are not legally trained, to the courthouse and
12 expect that you, applying your common sense and your
13 collective wisdom and your experience of how people behave,
14 will faithfully and effectively decide questions of credi-
15 bility. You have heard these witnesses in this relatively
16 short trial. You will want to size them up. How did they
17 testify, how did they look, how did they compare on direct
18 examination with their cross examination? Did they seem
19 to know what they were talking about? Did they seem to you
20 to want to tell you truthfully what they knew? What
21 interest does one party or another have in the outcome
22 of the case? Does that interest affect the testimony?

23 Obviously the fact that somebody is interested
24 doesn't mean that he is not truthful. If that were the
25 case we simply wouldn't allow interested people to testify.

1 rdh22

2 But the interest of a person and the outcome may be a
3 factor, among other factors, bearing on the extent to
4 which you will credit his or her testimony, and I have
5 simply, again, in the way of illustration and reminder,
6 mentioned a few factors. Others will occur to you. You
7 will consider everything that your judgment and your good
8 sense and experience counsel you to consider in deciding
9 questions of credibility.

10 When you are doing that, ladies and gentlemen,
11 there will, when you go to the jury room, be six of you,
12 and you will understand the purpose of that. It is the
13 purpose and expectation that you will reason together
14 in attempting to reach a just decision in this case. That
15 means that each of you is entitled, certainly, and indeed
16 expected, to contribute your own wisdom and your own point
17 of view to those deliberations. It also means by the same
18 token that each of you will go there prepared to listen
19 attentively and courteously to the views of your fellow
20 jurors. If you have a point of view and during discussion you
21 are rationally persuaded that you were wrong, obviously
22 you won't hesitate to change your mind in the interests
23 of the collective concern for right and for justice.

24 On the other hand, if you have a point of
25 view and in conscience and in your judgment it stays correct,

rdh23

you are not required to change it because at some particular moment you are in the minority. I think you know that in order to reach a verdict, you must be unanimous. But the unanimous verdict of a jury is to represent the judgment of each of you after you have reasoned and deliberated together.

As to the form and the style of verdicts in this court we deliver them orally. Your forelady will deliver the verdict orally in the courtroom when you are ready to give one. The form of the verdict will be very simply either a verdict for the defendant or a verdict for the plaintiff in some stated amount of money.

I think I mentioned, but in any event let me repeat, and I think Mr. Maurer asked a question about this yesterday, when you go to the jury room in a case like this it seems convenient to have the exhibits with you and Mr. Swansiger will have them assembled for you and brought to the jury room with you. Obviously you will want to try to keep them as orderly and as neat as possible. Some day somebody may want to look at what we have done here and they may need them. But you may study them for your purposes.

If you should want any further information in the nature of repetition of these instructions or if you

1 think you need to hear some testimony again, send us
2 a note through your forelady and we will find and undertake
3 to give you whatever you need.
4

5 By the way, if you send out notes and at the
6 point of sending them you happen to be divided in your vote
7 on something, which happens with juries, don't tell us the
8 division, don't tell us how the vote stands. That is private
9 jury business and not a concern of ours.

10 I think I am about through but let me see whether
11 counsel have any exceptions or additions that they wish
12 me to present?

13 Do you want to come up, gentlemen

14 (Pause)

15 While we are waiting for counsel let me say
16 that our original six jurors appear to have remained healthy
17 and alert and so it becomes my function to say earnestly
18 that we thank our alternate jurors but at the point of
19 retirement under our rules we have only six and not eight.
20 So Mr. Hershof, Mr. Morelli, we do thank you and you are
21 now excused. I understand your term of service is completed
22 and so we bid you good morning and wish you well.

23 (Alternate jurors excused)

24 MR. BRASHICH: I have no exceptions to your
25 Honor's charge. The only request we would have is I believe

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your Honor stated that in the sum of \$75,000 to find out whether it was reasonable and whether these sums were paid. I was wondering whether we could elicit a clarification that in that \$57,000 there is a sum that he owes to the printer, which is the \$5,000 which he testified to.

THE COURT: But that's what I have deducted.

MR. BRASHICH: You have deducted the \$4,800.

THE COURT: So it washes out to a thousand dollars or something.

MR. BRASHICH: I am saying if they find in Exhibit 65, I believe, that he has not paid \$5,000 to the printer they might deduct the 5,000 from the 57..

THE COURT: I think that I will just say that.

MR. NEWMAN: I have no objection to that.

Your Honor, on the question of deductions I think you incorrectly stressed that the obligation of Mr. Kock to return the money was the key factor. I think the jury has to take into consideration the likelihood that he will be called upon to return the money to the advertisers. In that connection we don't have the advertisers here making a claim. In that connection we don't know, we haven't heard from them and it would be mere speculation to say that they did or didn't get their money's worth. I think what the jury should take into consideration on such things is

1 rdt26

2 likelihood, not such things as what might be determined
3 as an absolute moral obligation.

4 THE COURT: I didn't say moral.

5 MR. NEWMAN: You said obligation. I think likelihood
6 of return should be emphasized, taken into consideration,
7 the period of time that has elapsed since payment.

8 MR. BRASHICH: In that light if I can ask that
9 we can put that charge together that he still has not paid
10 the printer and no demand has been made, but it is an item
11 of damages which may be viewed by the jury. Perhaps we
12 can put those two things together.

13 MR. NEWMAN: On the same question of repayment
14 to advertisers I think the jury should be instructed
15 as well to take into consideration whether the necessity
16 to repay advertisers in the sums would arise from the
17 defective plastic score sheets. If they do arise from the
18 defective plastic score sheets, then they should not be
19 deducted because that was no fault of the defendant.

20 THE COURT: No, it was a default of the defendant
21 if they find the defendant liable because he would have
22 replaced those. That gets us into such a thicket of
23 business. Maybe you ought to pay back the advertisers
24 because if the score sheets had been replaced and you had
25 invited them to do that, then the advertisers would have

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come closer to getting what they bargained for rather than having all this bubbly running ink, and so on. I don't want to get into that and I won't.

MR. NEWMAN: I respectfully except and you know it is respectfully.

THE COURT: Anything else?

MR. NEWMAN: No.

(In open court)

THE COURT: Based on our conversations and suggestions of counsel let me add a couple of words. As to the agreed sum of 57-odd thousand dollars of expenditures, as I call them, there is a small complexity. Some \$5,000 of that is a sum owed to the printer Lasky, and that was included by counsel in their agreement in totaling up these expenditures because it is apparently agreed to be an obligation.

Then in turn I told you counsel deducted \$4,000 for those plastic sheets that were imperfect. Just have that in mind and understand that it was agreed that these computations could properly be made in that way. So if you find it useful, though I have trouble figuring out why you would find it useful, to go through and check the lawyers' addition, you will have this in mind.

Now, again on the subject of obligation, in talking

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2 to you about the question of a possible deduction from
3 the award for damages because of those payments Mr. Kock
4 received from advertisers, I told you that if you are
5 persuaded by the plaintiff that he has an obligation
6 to make repayment, then to the extent of that obligation
7 you should make no deduction.

8 Now, the suggestion has been made, and I do convey
9 it to you, that in appraising that amount of obligation,
10 you should take into account both obligation and likelihood
11 of repayment; that is, an obligation existing and avoid
12 which one is not required to fulfill and does not intend
13 to fulfill is not a meaningful obligation for this kind
14 of purpose. So in deciding whether you should refrain from
15 deducting, remember that in order to avoid any deduction,
16 you must be persuaded by a preponderance, that is that the
17 scale tips to the plaintiff, that he has an obligation
18 to make the repayment and that he will be likely to be
19 called upon to make the repayment or that he would be
20 likely voluntarily to make the repayment if you find he
21 has such an obligation.

22 I don't think that needs to be pursued much
23 further, but I will tell you that the obligation, if it
24 exists, is a contractual obligation. The advertisers
25 presumably would be getting repaid because of a breach of

1 rdh29

2 their contract with Mr. Kock, and I believe under the law
3 of New York which we are applying here, the statute of
4 limitations, a period in which a contract claim must be
5 made, is six years, gentlemen?

6 MR. BRASHICH: That's correct, your Honor.

7 MR. NEWMAN: That is my understanding.

8 THE COURT: You can have that among the other
9 things you consider in connection with this subject.

10 Now, I believe, if the marshal may be sworn,
11 the jury may retire.

12 (Marshal sworn)

13 (Jury retires at 11:05 A.M. to deliberate upon
14 a verdict.)

1 rdh30

2 THE COURT: Gentlemen, while we are standing
3 by let me just for your guidance tell you the practice
4 Mr. Swansiger and I follow. If there are notes from this
5 jury he will, in the normal course, call me up and read
6 them to me, and then while I'm seeing if the elevators
7 are working he will normally show them to you so that you
8 can let me know what to do about them. Sooner or later
9 we also show them to you. When I say normally, sometimes
10 because of the nature of a particular note I delay having
11 shown it to you until I get here but usually you will
12 have seen it by the time I arrive. Otherwise, I guess,
13 we will just stand by and wait.

14 (Discussion off the record.)

15 THE COURT: Mr. Swansiger, who is expert in
16 this subject, raises the question of lunch with me and
17 I suggest, if nobody has any different view, that we ask
18 the marshal to take the jurors out at 1 o'clock and we
19 will assume that we are all released for an hour and 15
20 minutes or so at that point.

21 Is that agreeable?

22 MR. NEWSON: Agreeable.

23 MR. BRASHICH: For the plaintiff, your Honor.

24 THE COURT: All right, gentlemen.

25 (Recess)

1 rdh31

2 (Jury note at 4 P.M.)

3 (In open court, jury not present.)

4 THE COURT: All right, you have the note. You
5 have seen it, gentlemen, which is Court Exhibit No. 2, and
6 id asks for testimony covering this clarification, please.

7 I understand you are not quite in agreement on
8 how we ought to respond to the note.

9 Mr. Brashich.

10 MR. BRASHICH: With your leave, your Honor, that
11 note to me could mean either the November 27th conversation
12 between Mr. Kock and Mr. Kratzenberg, which was covered
13 both on direct and cross of both of these witnesses as
14 to what the clarification meant; or it could possibly
15 mean the conversation that Mr. Kock and Mr. Kratzenberg
16 had by telephone in early December of 1972, which was
17 covered by me on the direct of Mr. Kock and on cross of
18 Mr. Kratzenberg.

19 What exactly they mean by the word "clarification"
20 I don't know, sir. But I think it would fit within the ambit
21 of these two conversations.

22 MR. NEWMAN: I understand the question to be
23 talking about a conversation which was held subsequent
24 to November 27th, and there was testimony both by Mr. Kock
25 and by Mr. Kratzenberg, both on each of their direct and

1 rdh32

2 each of their cross, with respect to the December conver-
3 sation. That's what I understand the testimony to be
4 referring to.

5 THE COURT: I would understand it to lead to the
6 kind of speculation in which you both understandably engaged
7 because it is the kind of inquiry respecting a relatively
8 ultimate question that I don't think you can give an
9 intelligible response to. I think the fair thing to tell
10 the jury is that, and to them that's the kind of question
11 they have to answer by drawing inferences from the testimony
12 they have heard.

13 If they say they want testimony about a particular
14 conversation on a particular date, we will give it to them
15 but we can't characterize any of this testimony as being
16 clarification. In a more ultimate sense they might send us
17 a note and say, give us the testimony that shows what the
18 agreement was. You understand? And each of you would
19 point to different conversations.

20 My feeling, subject to your wisdom, is we ought
21 not to speculate about such things and we ought to send
22 the jury back either to put together what they remember
23 the testimony is, or to send us a more concrete question.
24 That would be my answer.

25 Now, do either of you resist that answer?

1 rdh33

2 MR. NEWMAN: I do not, your Honor.

3 MR. BRASHICH: I do not, your Honor, not on
4 behalf of the plaintiff.

5 THE COURT: Let's do that because otherwise
6 we are just at sea.

7 As long as we are going to get them in, I also
8 suggest that we notify the jury we are going to sit until
9 6 P.M. tonight and then suspend for the day. And then we
10 are going to solicit their views as well as jurors, but
11 the alternatives are to come back tomorrow or come back
12 Tuesday. What are your preferences?

13 MR. BRASHICH: I believe I speak for the plaintiff--
14 that's a tough question.

15 MR. NEWMAN: I think even though it is more in-
16 convenient for everyone, including me, this should be in
17 a connected piece instead of having a weekend hiatus, unless
18 there is a strain on the jury, which should be paramount,
19 I would have no objection to continuing tomorrow.

20 THE COURT: How about if I solicit their preference
21 by a show of hands?

22 MR. NEWMAN: I think the feelings of the jury
23 should be paramount.

24 THE COURT: This is a civil case instead of a
25 criminal case. Even in a criminal case I try not to keep

1 rdh34

2 the jury in the dark. I take it none of you have any
3 objection to my telling them now rather than at 6.

4 MR. BRASHICH: No objection on the part of the
5 plaintiff, your Honor. I don't think that your Honor's
6 charge of telling them that 6 o'clock would be a cutoff time
7 should act as an Allen charge since they do have the op-
8 portunity to proceed on Saturday morning or on Tuesday.

9 MR. NEWMAN: I have no objection, your Honor.

10 THE COURT: Thank you both. Let's have them in.

11 (Jury present.)

12 THE COURT: Now, ladies and gentlemen, we have your
13 note and the delay in responding is because we have spent
14 a little time discussing it for reasons that I think will
15 appear now.

16 Your note asked for clarification. Now, what
17 is your clarification is a kind of ultimate question, and
18 one side might say, well, the clarification is what A said
19 to B. The other side may say no, that's not a clarification.
20 The clarification is what X said to Y. Actually without
21 the A and B's and C's and Y's that has been the nature
22 of some of the conversation between the lawyers and me
23 prompted by your note. So we can't give you what you want.
24 It is for you to review the evidence and decide what there
25 was a clarification; and if so, what its nature was and

1 rdh35

2 what it led to.

3 Let me try to make that clearer to you. First,
4 obviously, in any way that we can assist your your de-
5 liberations, all of us wish to do that. So I am not
6 normally delighted to tell you we can't give you the kind
7 of response you need. But if you were, for example, to send
8 out a note which said tell us which testimony shows the
9 nature of the agreement, you know that we couldn't do that
10 for you because that's what the case is about. Well, in
11 a sense, though, it is not quite as ultimate as that, your
12 question has that nature. You are asking what is the
13 clarification and the only way to do that is to argue one
14 side or other of the case. We have to leave that to you.

15 As long as you are out here, let me mention
16 to you the schedule of your work, our work and ask you a
17 question. We are going to continue with your deliberations
18 until 6 o'clock today, assuming you need that long, and
19 then assuming you need longer -- all this is a matter
20 within your control -- we are going to have to resume, of
21 course, and the choice is to resume tomorrow morning or
22 to resume Tuesday morning, which results, because Monday
23 is a legal holiday on this long weekend. Obviously it is
24 not desirable to break your deliberations by a long
25 weekend and it may well be that some of us who have other

1 rdh36

2 places we would like to be on a Saturday would not find it
3 overwhelmingly desirable to be here tomorrow.

4 Counsel and I have agreed that in the circumstances,
5 since we earn our livings at this work, we ought to leave
6 the preference to you, and on that I think we would have
7 to accept a majority vote rather than a unanimous verdict.
8 I am going to ask you your preference. I told you if we
9 are going to continue after this evening it would be
10 either tomorrow morning or Tuesday morning. I would like your
11 vote, first show me by raising your hands how many would
12 prefer tomorrow.

13 (None)

14 JUROR NO. 6: Either. Tomorrow is fine.

15 THE COURT: How many would prefer Tuesday?

16 JUROR NO. 3: Excuse me. Must we leave by 6 tonight?

17 THE COURT: Yes. Then we will decide it for you.

18 I don't think there is enough of wave of opinion on the jury
19 to make it appropriate to let you decide that. So having
20 offered you the opportunity counsel and I will make that
21 decision together and we will report it to you.

22 Now, although --

23 JUROR NO. 2: Excuse me, the action of Saturday
24 and Tuesday would be that we leave-- we discontinue now.

25 THE COURT: No. You are going to work to 6 in either

1 rdh37

2 event.

3 JUROR NO. 2: Then Saturday or Tuesday?

4 THE COURT: Then if you have no verdict, which
5 may well be the case, we will resume. Do you follow?

6 JUROR NO. 2: Yes.

7 MR. BRASHICH: May counsel and I approach side
8 bar?

9 THE COURT: Yes.

10 (At the side bar)

11 MR. BRASHICH: I believe your Honor might
12 suggest that you would tell them if they wanted to hear
13 a specific conversation, specific testimony that you would
14 give them this.

15 THE COURT: I thought I said that. Did I not?

16 MR. BRASHICH: No, sir.

17 MR. NEWMAN: I thought you said it but to satisfy
18 Mr. Brashich.

19 (In open court.)

20 THE COURT: Let me add one thing before you retire
21 because I may not have made it clear: If you sent us a
22 note that says we want to hear the conversation of such
23 and such a date between so and so and so and and so, we
24 are going to find that and give it to you. But if you say
25 we want the conversation that tells how to decide the case,

1 rdh38

2 then we can't find that for you. In the same way we can't
3 find a conversation which you characterize as showing
4 the clarification. Does that clarify the answer to your
5 question?

6 Mrs. Merion?

7 JUROR NO. 6: Our forelady was going to ask it
8 but what we are trying to find specifically if there is
9 testimony that shows whether or not an attempt was made
10 to clarify --

11 THE COURT: I don't think we ought to pursue it.
12 That's for you to try to remember.

13 JUROR NO. 6: We can't.

14 THE COURT: Then you can ask for specific
15 conversations. If you want the conversation of such and
16 such a date or some other date, tell us about that and
17 we will give it to you. If you want all conversations
18 after November 27th between A and B, we will give you that.
19 But we can't pick out the things that we might feel are
20 one-sided or the other might feel are responsive to the
21 question as you have put it.

22 We don't want to get enmeshed in your deliberations
23 because that tends to violate the rules, so I guess I must
24 ask you at this point to return to the jury room and then
25 as soon as you formulated, if you must formulate a question

1 rdh39

2 of the kind I indicated we could answer, send us a note
3 and we will undertake to answer it and that will take a little
4 time, too. You understand, the reporter to find any particular
5 item of evidence, has to go winding through these tapes,
6 after we have agreed about what we are looking for, so you
7 will bear with us if and when that becomes necessary.

8 All right, if you will retire, please.

9 (Jury continues deliberations at 4:15 P.M.)

10 (Court Exhibit 2 marked.)

11 THE COURT: I am reluctantly led to agree with
12 Mr. Newman, perhaps both of you because I don't know
13 how the conversation went, that if we must come back
14 another day that we are pretty much obliged to come back
15 tomorrow rather than let the weekend intervene.

16 You are nodding your head.

17 MR. BRASHECH: Yes.

18 THE COURT: That's what we will tell them unless
19 something happens to make it moot.

20 All right, thank you, gentlemen.

21 (Jury note at 4:45 P.M.)

22 (In open court, jury not present.)

23 THE COURT: Is there any evidence in the record
24 that would give an answer to Court Exhibit No. 3? Have
25 you checked the testimony on this subject?

1 rdh40

2 MR. BRASHICH: The only testimony I recall on
3 my direct, your Honor, whereby I asked Mr. Kock what he
4 was earning prior to going into business with Mr. Tiede
5 at Blair Television, his response was \$22,000. There is some
6 other testimony elicited but it was in the deposition.

7 THE COURT: I am talking about evidence in the
8 record?

9 MR. BRASHICH: No, your Honor.

10 THE COURT: You asked what he was earning and the
11 answer was \$22,000?

12 MR. BRASHICH: Yes.

13 THE COURT: May I tell that to the jury?

14 MR. NEWMAN: We think it may be the testimony,
15 maybe it included bonuses and--

16 (Record read)

17 THE COURT: Suppose you read just that question
18 and answer when the jury comes out.

19 (Jury present.)

20 THE COURT: At this time I think we can help you,
21 ladies and gentlemen. We will have the question and
22 answer from Mr. Kock's direct testimony that we have
23 agreed is responsive to your question. I will ask the
24 reporter to read it.

25 (Record read)

rdh41

THE COURT: That refers to the time you asked.

Okay, why don't you retire again.

(Jury continues deliberations at 4:50 P.M.)

(Court Exhibit 3 marked.)

(Jury verdict at 5:30 P.M.)

(In open court, jury not present.)

THE COURT: This note indicates that the jury has a verdict, and in spite of my instructions the jury has repeatedly in both civil and criminal cases put a verdict in the note, so I will share it with you. It says we find for the plaintiff damages to be paid by Brunswick in the amount of \$79,464.78.

Let's have the jury in to confirm that that is their verdict.

Will you want the jury polled?

MR. NEWMAN: Yes, I would like the jury polled, your Honor.

(Jury present)

THE COURT: Madam forelady, your note indicates you have reached a verdict for the plaintiff in the amount of \$79,464.78. Is that the verdict of the jury?

THE FORELADY: Right.

THE COURT: It has been requested that the jury be polled, so I will ask the clerk, Mr. Swansiger, to

ONLY COPY AVAILABLE

1 rdh42

2 poll the jury.

3 THE CLERK: Members of the jury, listen to your
4 verdict as it stands recorded. You say you find in favor
5 of the plaintiff in the amount of \$79,464.78. Is that your
6 verdict?

7 (The jury answered the question in the affirmative.)

8 THE COURT: All right, ladies and gentlemen,
9 it is late and you have been here a long and busy day.
10 I won't keep you but I will, if I may, thank you for your
11 service in this case. I understand your jury service is
12 concluded and we in the court and your fellow citizens
13 are in your debt for your participation in the administration
14 of justice. You have been a thoughtful and attentive
15 jury and you pay us to try to be thoughtful and we are
16 grateful to you for that, too.

17 So let me excuse you at this point with the
18 gratitude which I have expressed and good wishes.

19 Good afternoon, ladies and gentlemen.

20 MR. BRASHICH: Thank you very much. Good afternoon.

21 (Court's Exhibit 4 marked.)

22 (Jury excused)

23 THE COURT: Anything further at this time? Mr.
24 Newman?

25 MR. NEWMAN: Your Honor please, I move to set aside

rdh42a

1
2 the verdict on the grounds that the damages are excessive.
3 I move to set aside the verdict on the ground it is against
4 the weight of the evidence.

5 THE COURT: The motions are denied and the court
6 will direct that judgment be entered on the verdict.

7 All right, gentlemen, thank you.

8 MR. BRASHICH: Good afternoon, your Honor. Thank you.
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454 A

EXHIBIT 14

Contract dated November 17, 1972 between
Kock and N. W. Ayer, Inc.

Dept & F R J

N.W. AYER & SON, INC.

455 A
(Member of A.A.A.A.)

080817

KS 1/28/74

WEST WASHINGTON SQUARE, PHILADELPHIA, PA. 19106
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

West Washington Square, Philadelphia, Pa. 19106

ORDER NO. & DATE 281001-291 11/17/72
CLIENT: U. S. ARMY RECRUITING COMMAND
001

Bowling Score Sheet Advertising
c/o Winston Kock Assoc.
220 E. 7th Street
New York, N.Y. 10021
ATTN: Winston Kock

PRICE \$ 15,000.00 NET

CONTRACT CONDITIONS & BILLING INSTRUCTIONS (SEE REVERSE SIDE)

NEWSPAPERS: SEND BILLS TO: N. W. AYER & SON, Inc.
West Washington Square
Philadelphia, Pa. 19106

Send full issue to nearest
Advertising Checking Bureau Office:
ACB - G.P.O. Box 1322 • New York, N.Y. 10001
ACB - P.O. Box 134 • Columbus, Ohio 43212
ACB - P.O. Box 6326 • Chicago, Ill. 60688
ACB - P.O. Box 1067 • Memphis, Tenn. 38101
ACB - P.O. Box 3419 • Rincon Annex,
San Francisco Calif. 49119

MAGAZINES & OTHER PUBLICATIONS - Not using A.C.B.
Send bills with two tear sheets attached
and one full issue to:
Checking Department:
N. W. AYER & SON, Inc.
West Washington Square
Philadelphia, Pa. 19106

Production: D. Belshaw - 215-829-4275

Media Buyer: ~~Norm~~ H. Harrison 5th floor F

ADVT. NO.	ADVERTISEMENT CAPTION	ON SALE DATE	INSERTION DATE	SPACE UNIT
81-001-73-PP-3206	SCORE "BOWLING SHEETS"		1973 Jan. 1 for 6 months X	2-3/4 high 5-3/4 long 1 time

To Jack Lynch

*
NOTE: No coupon ad is to be backed up by a page in which another coupon ad appears.
POSITION: Newspapers and Magazines: We request that no competitive advertising appear on the same or facing page.

As per agreement with Mr. Kock.

Clarified with Dave by Tel Con 10/4 11AM that printing takes place in Jan. Disturbed
beginning March 73 and that bottom of score sheet has 2 coupons but
second coupon will not be competitive.

NOTE: Two full issues to reach "Reproduction Review Board", 8th Floor, Ayer/Philadelphia,
3 to 5 days in advance of your sale date.

NOTE: Your compliance with the Equal Opportunity Clause of Section 202 of Executive Order
11246 of Sept. 24, 1965, and subsequent implementing regulations, is an expressed
condition of this order. Acceptance or fulfillment thereof shall constitute
acceptance by you of the terms of the Equal Opportunity Clause. As interpreted
by Ayer, the clause is not applicable if purchases placed with you for an
indicated advertiser do not aggregate more than \$10,000 annually.

ADVERTISING COVERED BY THIS ORDER SHALL BE SUBJECT TO MAXIMUM PRICE LEVELS
DETERMINED PURSUANT TO REGULATIONS PUBLISHED UNDER EXECUTIVE ORDERS 11615
DATED AUG. 1, 1971 AND 11627 DATED OCT. 15, 1971.
Send additional Checking Copies to:

COPY TO: Lt/Col. Childress, Advtg. & Info., U.S. Army Recr. Command, Hampton, Va. 23369
COPY TO: Commanding General, U.S. Army Recr. Command, ATTN: Command Goup, Hampton, Va. 23369
COPIES TO: Commanding General, U.S. Army Recr. Command, ATTN: USARCAI-D, Hampton, Va. 23369
MEMBER OF

PUBLICATION ORDER TERMS

BILLING INSTRUCTIONS

- a. Individual itemized invoices for each client to be rendered monthly to N. W. Ayer & Son, Inc., Philadelphia, Penna. (Newspaper invoices to show exact lineage inserted).
- b. Separate monthly invoices to be submitted for any commission, mats or other "preparation/production" type charges rendered.
- c. Credits to be rendered separately.
- d. All invoices/credits to show our order number and include a full explanation to identify nature of charge or credit.
- e. All invoices/credits to be rendered in duplicate.
- f. Any short rate charges affecting this advertising will be collected within 30 days after close of contract period or they will not be honored.

CONDITIONS OF SALE

- a. In accepting this order, publisher warrants that he has and follows a uniform policy in dealing with all agencies and advertisers.
- b. The agency assumes all liability for libel, slander, illegal composition or trade practices, infringement of trade marks, trade names, copyrights, the violation of rights of privacy with respect to advertising furnished by agency and printed by publisher for publication as herein ordered.
- c. The publisher will not be held responsible for the accuracy of editorial content and other material furnished by the publisher for printing in publications as herein ordered.
- d. Such indemnification outlined in b. and c. above shall survive the termination or cancellation of this contract.
- e. This order is to be combined with all other orders placed by the herein mentioned client company and its divisions and subsidiaries (and/or their agencies) or if a division or subsidiary with orders placed by the parent company and its divisions or subsidiaries (and/or their agencies) in order that all may earn the low rate applicable to the combined schedules.
- f. This order may be revised or cancelled at any time unless otherwise stipulated on the rate card. In such cases, agency and advertiser agree to abide by conditions of cancellation as printed on the rate card.

RATES

- a. Publisher represents that all his rates are published and as low as such rates to advertiser or agency upon request.
- b. Charges for space herein ordered are in accordance with the publisher's rate card upon which this contract is based.
- c. If at any time during the term of this contract publisher makes a reduction in his rates, the advertiser and agency are to have the immediate benefit of such reductions with the effective date of such reductions.
- d. In accepting this order, publisher warrants that the rates set forth are as low as any now being given to any other advertiser of like nature, for comparable space whether such space was placed direct or through an advertising agency or through any source and irrespective of the location of the advertiser, agency or other source.

Upon granting of lower rates to any other advertiser, publisher agrees that such lower rates will become immediately available to advertiser/agency herein named.

- e. If additional space is used during the contract period by this advertiser, his parent company and/or his divisions and subsidiary companies and a lower rate is earned, publisher agrees to grant such lower earned rates to all advertising run during the contract period.

ADVERTISING MATERIAL

- a. Subject matter, form, wording, illustration and typography of the advertising is subject to approval by the publisher, but he cannot refuse to give publication to advertising material without consent of the agency.
- b. The advertiser warrants that publisher needs not to run the advertising material if publisher must notify the agency immediately.
- c. If the advertiser's material ordered by the publisher does not agree with the publisher's copy, the advertiser is to sign, add number, caption, etc. publisher is to contact agency immediately and ask for clarification. If agency cannot be reached, advertising is to be omitted.
- d. Under no circumstances will the advertiser dispute having ordered.
- e. The advertiser warrants that the advertiser's copy is for the advertiser's use only.

The advertiser warrants that the advertiser's copy is for the advertiser's use only and that the advertiser's copy is for the advertiser's use only.

- f. All advertising material will be set in space required and shall be printed in accordance with the advertiser's instructions.

OMISSION OF ADVERTISING

- a. Advertising material placed in our editions of a publication or editions of a publication will be inserted in any edition of a publication in any edition of a publication.
- b. If the advertiser's material is not inserted in any edition of a publication, the advertiser will be notified by the publisher.
- c. If the advertiser's material is not inserted in any edition of a publication, the advertiser will be notified by the publisher.
- d. Space omitted for the advertiser's material will be counted toward the advertiser's contract at a lower rate by publisher.

The advertiser warrants that the advertiser's copy is for the advertiser's use only.

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457 A

EXHIBIT 15

Proposed Contract prepared by Kock
dated October 12, 1972 and letter
dated November 27, 1972 from Brunswick
to Kock.

WINSTON E. KOCK JR.

458 A

220 East 73rd Street

New York City, N.Y. 10021

(212) 988-1478

October 12, 1972

AGREEMENT BETWEEN:

WINSTON E. KOCK JR. and BRUNSWICK CORPORATION
(Revises June 8, 1972 Agreement)

This will confirm and expand our several conversations, meetings, correspondence, and Agreement of June 8, 1972 regarding my furnishing you with certain bowling score sheets for the approximately 200 bowling centers owned and operated by you. (see attachments)

I will supply you with 4.5 million open color bowling score sheets, and will increase the number of plastic sheets for league bowling from 30,000 originally agreed upon to 60,000. This supply will be for a period commencing March 1973 thru March 1974 and will be deemed automatically extended for an additional year or years unless terminated by either party.

It is understood that both you and I will have the right to terminate the same by giving notice ninety (90) days prior to the expiration of our agreement or any renewal.

It is further agreed that I may make delivery of the four million five hundred thousand (4,500,000) color open score sheets and the sixty thousand (60,000) league plastic sheets, at my option, on an annual basis, a semi-annual basis, or a quarterly basis, said delivery time being proportionate to the respective time period covered.

continued

I further re-iterate that it is imperative that these score sheets receive full and fair exposure, and that you therefore will use the same in bowling centers owned and operated by you exclusively for the period of this agreement.

You have brought to my attention that you desire that advertising carried on such score sheets will not carry any advertising for fast food services, nor exhibit any competitive bowling equipment, and I agree to be bound by your restrictions.

I also confirm that I will consult you for your approval with regard to any merchandising assistance that I may seek, and that your approval must be obtained. (Examples: we talked about a candy advertiser must be a name brand to be carried in the machine, likewise a cigarette would be carried, a cigar carried where cigars are sold, etc.)

It is also understood that you will provide me with accurate shipping instructions and quantities for each and every bowling center owned and operated by you at your earliest convenience so that delivery may be effected for March 1973.

It is understood that I shall provide and pay for shipping charges incurred in the distribution of these bowling sheets by me, and I further agree to place at your disposal in your district office centers a supply of additional sheets for use not anticipated by this contract and quantities specified by you for your centers.

Additional points raised in our conversations and writings since our initial agreement are hereby added to that agreement and clarified as follows:

A. That you have a single supplier of soft drinks. That supplier is Coca-Cola, and I agree not to carry any advertisements for any other soft drink soda company. (Example: No Pepsi-Cola, No Royal Crown, etc.)

continued . . .

B. That "Welcome to Brunswick" or a slug line similar, shall be printed directly under the Winston Kock Associates on the score sheets.

C. That quantities for each bowling center shall be quoted by you on the basis of annual use, semi-annual use, and quarterly use.

That since league telescore sheets are of two sizes, you shall indicate which centers get which sizes along with the quantities needed.

That I will supply league paper sheets to those centers where telescopes are not in use, and that you will likewise indicate which centers these are and what quantities of league paper sheets they require.

That each individual center shall mail to me at least one sample of the score sheet they were using, so that I may show advertisers what my new color sheet has replaced.

D. That additional advertising/marketing testing similar to the original market test may be conducted by myself at my expense in any of the bowling centers. Such testing is subject to your approval with details to be agreed upon before such testing is done.

E. It is specifically understood that any and all advertiser shall be subject to your prior written approval. Immediately upon your acceptance of this agreement a list thereof shall be made available to you for your said approval.

Yours sincerely,

Winston E. Kock Jr.

WEK:drb

Agreed to and accepted: BRUNSWICK CORPORATION

By _____

Deft G.A. R.J.
KS 1/28/74

461 A

Bowling Division **Brunswick**

BOWLING
CENTER
OPERATIONS



November 27, 1972

Mr. Winston E. Kock, Jr.
220 E. 73rd Street
New York, N.Y. 10021

Dear Mr. Kock:

Subject: Score Sheet Agreement

This is to confirm our intention to enter into an agreement with you for you to supply, exclusively, score sheets and plastic sheets upon a basis substantially as set forth in the attached proposed letter agreement dated October 12, 1972.

As we explained to you, Brunswick may have certain commitments to Walt Peabody Advertising Service. Brunswick intends to live up to any legally binding obligation to Peabody, but we will take every legally permissible step to phase them out at the earliest practicable time.

You have agreed to hold open the proposal outlined in that letter of October 12 until Brunswick can clarify its legal position with Peabody.

Very truly yours

BRUNSWICK CORPORATION

By

William Kratzenberg

William Kratzenberg
National Merchandise Manager

WMK/a

462 A

EXHIBIT 78

Letter dated December 1, 1972 from
Rumrill Hoyt, Inc. to Kock.

*Reft by G. f. J.L.
RS 1/28/74*

463 A

Rumrill-Hoyt, Inc.

December 1, 1972

Mr. Winston Kock
220 East 73rd Street
New York, New York

Dear Winston:

This is to confirm our intention on behalf of our Client, Pharmacraft, to implement a March through September 1973 schedule on your bowling program.

We are presently preparing artwork for you and anticipate its delivery to the New Jersey address that you specified by the first week in January.

If you have any contractual materials for us to sign or fulfill, please forward them to my attention here at Rumrill-Hoyt.

Sincerely,

Phi

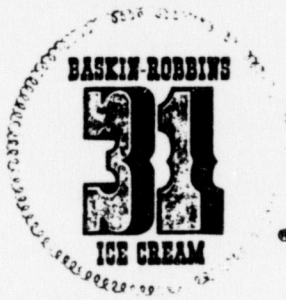
Phillip G. Jackson

PGJ/ld

464 A

EXHIBIT 80

Letter dated January 4, 1973 from
Baskin-Robbins to Kock.



Reft by H R J L
465 A *125 1/20/74*

BASKIN-ROBBINS ICE CREAM

1201 SOUTH VICTORY BOULEVARD • BURBANK • CALIFORNIA • 91502 • (213) 843-1060

January 4, 1973

Mr. Winston E. Kock, Jr.
220 East 73rd Street
New York, New York 10021

Dear Mr. Kock:

This will confirm our agreement to purchase the Bowling Score Sheets ad for the period of March, 1973 to September, 1973, for 200 Brunswick Bowling Centers.

I am sending to you art work to size and ask that you send the billing to my attention.

Should all work well, we would be interested in covering more centers in the future, since Baskin-Robbins has more than 1,200 locations coast to coast.

Sincerely yours,

Barbara Brooks

Barbara Brooks, Manager
Advertising/Sales Promotion

BB:raj

466 A

EXHIBIT 81

Letter dated January 9, 1973 from
Chelsea Milling Co. to Kock.

2
TELEPHONE
313-475-3341

MANUFACTURERS OF
"JIFFY" MIXES

Ref't by N f2J
467A *125-128/74*
CHELSEA MILLING COMPANY

CHELSEA, MICHIGAN 48118

January 9, 1973

Mr. Winston Kock, Jr.
220 E. 73rd
New York, New York 10021

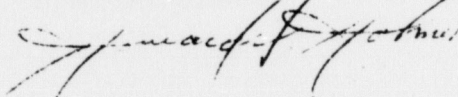
Dear Mr. Kock:

After much analysis and thought this will indicate to you our
commitment for your bowling score sheet program in the
200 Brunswick centers starting this March.

As you know, "JIFFY" is nationally distributed and depending
upon the successful consumer reaction to this program I will
let you know as regards additional centers this coming Fall.

Enclosed is the art work from which you will make the lay out
for the top center position.

Sincerely yours
CHELSEA MILLING COMPANY



Howard S. Holmes

HSH/jr

468 A

EXHIBIT 84

Letter dated February 7, 1973 from
Carter Wallace to Kock.

469A
CARTER PRODUCTS

DIVISION OF CARTER WALLACE, INC.

767 FIFTH AVENUE • NEW YORK, N. Y. 10022 • (212) 758-4800

CABLE ADDRESS
ADRICAP N Y

February 7, 1973

Mr. Winston E. Kock, Jr.
Winston E. Kock Associates
220 East 73rd Street
New York, New York 10021


Dear Win:

This is to confirm that we will be participating
in the "Bowling Scoresheet" Program for ACTIVE
for the March-September period.

The scoresheet proof is being routed for perusal/
comment, and I'll be speaking with you on this
before the end of the week.

Thank you.

Cordially,


Raymond D. Henman
Product Manager
Carter P.D., Inc.

RDH/df

470 A

EXHIBIT 93

Letter dated May 16, 1973 from
Baskin-Robbins to Kock



471 A

Dept. A G H J.
125 / 128 / 74
BASKIN-ROBBINS ICE CREAM

1201 SOUTH VICTORY BOULEVARD • BURBANK • CALIFORNIA • 91502 • (213) 843-1060

May 16, 1973

Mr. Winston E. Kock, Jr.
220 East 73rd
New York, New York 10021

Dear Mr. Kock:

We have learned that your Bowling Score Sheets are not being used in all of the Bowling Centers you indicated to us.

Based on this information, we will not honor our bill with you until we can receive clarification.

Sincerely,

Barbara Brooks
Barbara Brooks, Manager
Advertising/Sales Promotion

BB/raj



ONE COPY
Service of ~~2~~ copies of the
within Appendix is hereby
admitted this 27th day of

Jan. 1975
Signed Cadya Borne for Brashick & Finley
Attorney for Plaintiff - Appellee